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# ***Daily Report***

## **East Asia**

FBIS-EAS-93-181  
Tuesday  
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# Daily Report

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FBIS-EAS-93-181

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21 September 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## Japan

### Government Procurement Talks With U.S. Viewed

OW2109020893 Tokyo KYODO in English 0151 GMT  
21 Sep 93

[Text] Kahuku, Hawaii, Sept. 20 KYODO—Japan and the United States began trade talks Monday [20 September] on the issue of procurement by the Japanese Government of foreign products in five high-tech areas, Japanese officials said. The session is a part of four-day subcabinet-level meeting here to lay a new framework for bilateral trade.

The areas to be covered under the procurement issue are telecommunications, computers, supercomputers, satellites and medical equipment. The negotiators will hold a general meeting first, then break up into five section meetings regarding the five areas, the officials said.

Discussions will largely concentrate on the telecommunications and supercomputer areas. The U.S. is likely to ask Japan to set a certain percentage of U.S. product share on the Japanese market in those areas as "objective criteria," the officials said.

The two nations have agreed to set criteria as a means of progress assessment later on.

Washington is also expected to press Tokyo to buy American-made supercomputers in a planned tender in later this autumn for 11 supercomputers for government-related facilities. Washington has expressed unhappiness about the fact that the four supercomputers which the Japanese Government bought so far this year are all Japanese-made.

### Major, Hosokawa Hold News Conference 20 Sep

OW2009110193 Tokyo KYODO in English 1044 GMT  
20 Sep 93

[Text] Tokyo, Sept. 20 KYODO—British and Japanese Prime Ministers John Major and Morihiro Hosokawa said Monday [20 September] they agreed it is worth examining nongovernmental measures to help solve problems involving British prisoners of war held by Japan during World War II.

At a joint news conference after nearly two hours of talks, Major and Hosokawa said they reaffirmed that questions of compensation for the British POWs have already been legally settled by the 1951 San Francisco Peace Treaty between Japan and the allied powers.

Hosokawa said he once again expressed in talks with Major his "deep remorse and apologies for Japanese past actions which inflicted deep wounds to many people including former prisoners of war."

Major said he told Hosokawa that "strong feelings" exist in Britain about the British POWs and that Hosokawa's earlier expressions of remorse and apology over Japan's conduct during the war have aroused "great interest" in Britain.

Major said if the Japanese Government were to contemplate taking steps to redress the matter in the future, "it is necessary that situations of those concerned in Britain be fully taken into account."

The British prime minister also said he informed Hosokawa of Britain's examination of whether nongovernmental measures would assist in solving the problems surrounding the POWs. He did not elaborate on the matter.

Japanese Foreign Ministry sources said that private-level measures include such things as Japan sending doctors to British retirement facilities where servicemen who suffered war wounds are accommodated.

"While we recognized that immediate solutions were not possible, we agreed to keep closely in touch about this matter and contacts will therefore continue," Major said.

Recent reports from London said about 12,000 British POWs who were forced to work for Japanese companies during the war are considering suing their former employers.

The plan to take legal action follows Hosokawa's recent apologies for Japan's wartime behavior, the reports said.

The joint press conference was held for the first time outside on the lawn of the garden at the prime minister's official residence.

Hosokawa, 55, and Major, 50, describing their talks "meaningful," chatted in a relaxed mood.

Major said he discussed with Hosokawa international affairs such as in China, Hong Kong, Russia and the Middle East.

Hosokawa said he and Major agreed to make efforts to bring a successful conclusion of the Uruguay Round of multilateral trade talks by the end of the year.

He also said while Japan and Britain historically enjoy good relations in political, economic and cultural fields, they agreed on further efforts to make their ties more mature.

Asked about Japan's bid for a permanent seat on the United Nations Security Council, Major said Britain's "prime concern" is to make sure the UN functions effectively.

"There is now debate about reform and as that proceeds, I have no doubt that in one form or the other, Japan will be a beneficiary of that debate," Major said.

He said the primary concern is to ensure continuing efficiency of the world body and not to "hold back reform either in the interest of Germany and Japan or anybody else," he said.

The Foreign Ministry officials quoted Hosokawa as telling Major that UN reform is important and Japan



wants to participate in the debate about it. He told Major that Japan wants to fulfill its responsibilities in a reformed UN, they said.

Major arrived in Japan on Saturday for a four-day trip. He is the first leader of a major industrialized country to visit since Hosokawa came to power in August.

Major originally planned to visit Tokyo in January but postponed the trip due to domestic problems over ratifying the Maastricht Treaty on European union.

He came to Japan in July to attend the Tokyo summit of the Group of Seven economic powers.

Speaking at a dinner for Major at the prime minister's official residence, Hosokawa dismissed hopes for an early demise of his coalition government that groups seven parties and one political group. "There are people who criticize the government as being fragile as glass, but glass these days is fairly solid. I'm sorry, but I think things won't turn out as they have anticipated," Hosokawa said.

While acknowledging that Japan's political reform efforts were "belated" compared with Britain's adoption of an anticorruption law more than a century ago, Hosokawa said reform would be carried out "in earnest."

Major said in his dinner address the world community needs Japan's influence and know-how to solve international conflicts, an apparent reference to growing expectations of Japan to be more involved in United Nations' peacekeeping activities.

Some 70 guests attended the dinner, including former Prime Minister Kiichi Miyazawa and British soccer star Gary Lineker, who is playing in Japan's J. League.

#### **'Text' of Hosokawa's Policy Speech to Diet**

*OW2109104893 Tokyo KYODO in English 1016 GMT  
21 Sep 93*

[Text] Tokyo, Sept. 21 KYODO—The following is the full text of policy speech delivered by Prime Minister Morihiro Hosokawa at the Diet on Tuesday [21 September].

I am pleased to see that their majesties the emperor and empress returned safely home on September 19 from their trip to Italy, Belgium, and Germany, and I am confident that their trip has added a new page to the long history of friendship and goodwill between Japan and Europe and further enhanced the contacts between our peoples.

#### **Introduction**

It is now about a month and a half since this coalition government came into office to very warm popular expectations. Whether or not this government is able to demonstrate its worth and to meet this popular mandate, however, depends upon what specific success we have in

dealing with the immediate issues before us, and I am well aware that the real time of testing starts now.

It goes without saying that the first thing that we must do is to restore popular trust in government, but there are also a number of other issues that cannot wait, including dealing with the economic emergency, making a start on medium- and long-term socioeconomic structural reforms, and responding to the very fluid international situation. Accordingly, this government intends to try to manage national government focusing on reforms in the three main areas of politics, economics, and administration.

I have already outlined the new government's political ideals and objectives in my address to the 127th session of the Diet, and I would thus like this time to explain our policies on the immediate issues before us and to ask for the further understanding and cooperation of the people in this effort.

#### **For Passage of the Political Reform Bills**

As I explained in my policy speech to the previous session of the Diet, this cabinet views political reform as absolutely essential, and it is our first priority. With the drama of old systems and values crashing to the ground with the end of the Cold War in the international arena, Japan has been beset with the scandal of political corruption virtually every year and the spectacle of the Diet in frenzy trying to deal with these scandals has not only exacerbated distrust of politics but even threatens to undermine Japan's international credibility. We can put political reform off no longer, and it is essential that we start to work resolutely developing policies to fulfill our responsibilities as an international state and to stabilize and improve the lives of the people with new arrangements after having determinedly implemented political reform.

Because determinedly implementing political reform including reform of the election system means radically transforming the political arena, it is only natural that there should be many different opinions and divergent interests here. Yet all of us involved in politics here today must face up to the fact that the distrust of politics could become irremediable and more and more people could well decide they are fed up with politics or do not want to have anything to do with politics if we shy away from political reform.

The government will be submitting a package of political reform bills to this session of the Diet consisting of four bills—the bill to amend the Public Office Election Law, the bill to establish the House of Representatives election redistricting council, the bill to amend the Political Contribution Control Act, and the bill for public funding for political parties—and will be making every effort to see them enacted, and I would like to ask the members of this Diet to engage in full and fruitful discussion of these bills for their prompt passage.



Given that parliamentary democracy could conceivably become an empty play and fall dysfunctional, depending upon the elections system, it is axiomatic that the elections system forms the very core of our parliamentary democracy. I believe the deliberations in the Diet to date have resulted in a general consensus that it is inevitable that, with the present multiple-representative constituencies, elections entail clashes among candidates from the same party and are necessarily fought not on policy differences but rather on a personal basis among the candidates, which has in turn meant that politics is inadequately responsive to policy issues and been a major factor giving rise to the many problems of money in politics.

Likewise, when it is realized that the fact that the balance of power among the political parties has become ossified over the years in these multiple-representative constituencies has resulted in a loss of creative political tension and only half-hearted policy debate, as well as providing a culture nurturing political corruption, it is clear that now is the time to effect dramatic reform of the multiple-representative constituencies and to lay the basis for an election system focused on policies and parties.

Thus the bill to amend the public office election law provides for the adoption of a two-ballot, single-plus-proportional representation system with 250 representatives elected from single-representative constituencies and another 250 elected in a proportional system. It is expected that this system will enable the people to express their governmental preferences clearly and, combining the best features of both single-representative constituencies where the candidates are known to the voters and proportional representation reflecting the broad diversity of public opinion, will make it possible to achieve sounder parliamentary democracy. In drawing the single-representative election district lines, it should be noted, I intend to establish a House of Representatives Election Redistricting Council within the government and to draft a redistricting bill following this council's recommendations so as to ensure fairness in this process.

Furthermore, it is essential that we take resolute anticorruption measures to ensure that there are no further incidents of political corruption such as have been the direct cause of the popular distrust of government. The bill that will be submitted would not only disallow contributions to individual politicians themselves but would allow corporate and organizational contributions only to political parties and other political funding organizations, and among its other provisions are those for suspending the civil rights of any found to have violated the political contribution control act and for expanding the scope of co-culpability and strengthening the penalties for election campaign violations.

I am confident that these measures will have a major deterrent impact on political corruption. While I know that opinion is divided on the desirability or not of retaining corporate and organizational contributions, I

personally think it would be better the less dependent politics was on such corporate and organizational contributions, and we have taken a major step forward in the direction of disallowing such contributions. However, it remains true that political activity does in fact take money, and we need to endeavor to lay the groundwork for eliminating corporate and organizational contributions as by adopting a system of clearly defined public funding subsidies as part of the cost of achieving sound democracy. Thus the bill to be submitted would sharply lower the upper limit for report-exempt political income for political organizations and would otherwise seek to ensure funding transparency, and I am asking for the people's understanding of this endeavor.

While restoring popular trust in government is the foremost aim of political reform, I would also expect these reforms to be a detonator forcefully promoting the many reforms now being called for in Japan, including the decentralization of authority, deregulation, and other administrative reforms impeded by structures made rigid by the collusion among politicians, bureaucrats, and industrialists, the shift to a new priority on the interests of ordinary people, and the attainment of socioeconomic structures at harmony with the rest of the international community.

I feel the government and opposition parties share a common awareness of the need for and importance of political reform, and I am determined to do everything I can to win the cooperation of this session of the Diet and to implement political reform during this session so that we can start to work on truly resolving the problems that the people face in their daily lives can achieve tangible results as soon as possible.

#### **Responding Flexibly to the Economic Emergency and Reforming Socioeconomic Structures**

With the sluggish growth in personal consumption, the slump in private-sector nonresidential investment, and other factors joined by, for example, the yen's rapid appreciation and the cool summer weather, the Japanese economy finds itself in a truly difficult situation. Not only are small businesses having a hard time of it, I would not be surprised if there were large numbers of Japanese concerned about the future. While the collapse of the bubble economy and the consequent deterioration in corporate asset positions are behind this prolongation and exacerbation of the economic recession, it should also be noted that structural problems such as the systemic inefficiencies epitomized by the disparities between domestic and overseas prices for a wide range of items have also impeded the emergence of truly satisfying consumer lifestyles and the development of dynamic business practices based upon entrepreneurship.

If the economy is to recover and to get back on the move again, it is essential that the private sector, which is the driving force in the Japanese economy, once more be able to realize its full potential, and I believe the thing the government needs to do now to help Japan get out of



this long recession is to make every possible effort to enable the private sector to exercise its vigor to the utmost by dispelling the sense of uncertainty and dead-endedness about the future. It was with this in mind that I convened the Ministerial Conference for Economic Measures in late August, soon after my cabinet took office, and moved quickly to draw up a wide range of policies enabling us to respond swiftly to the harsh economic situation the people confront, not only including deregulation policies and policies to ensure that the benefits of yen appreciation are passed along but also including fiscal relief measures for those hurt by the yen's appreciation, the victims of natural disasters, and the like and to implement these measures as quickly as possible.

With the priority emphasis on that deregulation that will have the most direct impact for invigorating the economy and expanding domestic demand and for promoting imports, we have recently decided to implement deregulation for a wide range of 94 items, including, for example, items that contribute to the creation of new business opportunities and business expansion in such fields as new developments in telecommunications and broadcasting and as microbrewery beer, items that contribute to greater flexibility in gas bills, travel charges, and other public utility rate schedules, and items that contribute to enhanced convenience in Japanese life, such as revising food label regulations and easing automobile inspection regulations, and I expect these deregulatory efforts to have substantial economic impact.

Likewise with efforts to ensure that the benefits of yen appreciation are passed along, we have decided to quickly implement measures such as to ensure that electricity and gas customers, international telephone callers, and other people benefit from the yen's strength and to enhance the availability of discount tickets for rail, air, and other travel. Even aside from such regulated industry rates, we have asked the relevant industries to ensure that the benefits of yen appreciation are promptly passed along in foodstuffs, clothing and sundry goods, cosmetics, gasoline, and other ordinary consumer goods imports impacting on everyday life. The government will continue to listen to the people and will work to provide useful information so that these efforts to have the benefits of the yen's appreciation are truly effective.

While it goes without saying that these efforts are important to overcoming the current economic difficulties, it is essential that we flexibly implement policies with greater immediate impact to provide new momentum to economic recovery. In drawing up this latest package, we have, in addition to steadfastly implementing the economic package adopted in April and other measures, moved to respond appropriately to the serious situation created by the all-too-frequent natural disasters and the abnormally cool summer weather and by the yen's rapid appreciation and other events by moving for the rapid implementation of disaster-relief and other operations for areas devastated by the torrential rains, typhoons,

and other natural disasters. Furthermore, we are implementing a range of measures including carefully tailored legal and other support for the invigoration of small businesses in very stringent economic straits, measures to enhance and strengthen employment policies, and measures to ensure smoother financing. It is imperative that we lay the development foundations for the future and make steady progress toward the medium- and long-term objective of vital socioeconomic structures that are in harmony with the rest of the international community and in which we can feel truly well off. To this end, we have decided to take dramatic new measures to encourage housing investment as with enhanced lending provisions for an additional 100,000 units and stepped-up tax incentives, to promote social overhead capital investment from the perspective of the ordinary consumer, to take tax measures to promote capital investment contributing to structural adjustment, to draft basic policies relating to import expansion, and to implement other policy remedies.

Along with making every effort for this package's steadfast implementation, the government will also monitor economic conditions, employment figures, and other data closely and will strive for flexible economic management so that people do not become even more discouraged than they already are about the economy.

On the issue of a possible income tax cut, an issue on which there has been considerable discussion, I believe that, given the very stringent fiscal straits that we currently find ourselves in, we must avoid trying to pay for such a tax cut with deficit-financing bond issues and should rather try to deal with this in the context of building a balanced tax structure including income, consumption, asset, and other taxes. Thus it was that I attended the general meeting of the tax commission the other day and asked them anew to deliberate fully on fundamental reforms to the tax system, including, for example, a possible cut in income taxes and other changes to the ratio between direct and indirect taxes, and to submit the appropriate policy recommendations to me. I would like to deal with this issue of tax reform respecting the results of the deliberations within the tax commission and paying all due heed to popular opinion.

If we are to prepare for the advent of the truly aged society and at the same time create economic structures compatible with living together with the rest of the international community, we must first seek to further raise the standard of living by acting now while we still have potential vigor to promote quality social overhead infrastructure improvements and other advances. It may well be that these efforts would also lead, for example, to the creation of new demand and a reduction in our current account surplus.

Thus it is that I believe it is important, along with making an effort for priority improvements in housing and parks, in garbage disposal, and in other residential environmental and welfare facilities and in urban transport network improvements and other areas that have



direct convenience-enhancement benefits for the ordinary consumer, that we make steady progress in improving and upgrading research and development facilities, in promoting greater use of information processing technology in educational institutions and public administration, and in other areas that contribute to enhancing the development foundations for the future. It is from this perspective that, while forcefully promoting fiscal reform, I intend to work on fiscal policy management for the effective, priority allocation of our limited resources.

Second, it is essential that we work to promote governmental deregulation and the reform of those old competition-restrictive systems and practices that are unsuited to the new era and to advance consumer interests and further enhance economic efficiency by, for example, rectifying the differentials between Japanese and overseas prices and to create an economy and society broadly open to participants both inside and outside of Japan. The recent deregulation policies and measures to ensure that the benefits of yen appreciation are passed along may be said to be first steps in this direction, and it is crucial that we continue to promote deregulation and these other policies. I also intend to pay all due heed to the report expected from the Provisional Council on Administrative Reform in mid-October on their review of the functional delineation between the private and public sectors, how to redress the harmful effects of our rigidly compartmentalized bureaucracy, and other issues.

If we are to make steadfast progress toward the medium-to long-term goal of reforming our socioeconomic structures, it is important that the various policies deployed all move in a single direction in a compatible fashion. I have thus established an economic reform research council made up of leading private-sector figures and this council has recently held its first meeting. I have asked this council to study what modalities are best for Japan's economy and society, what policy measures are needed to get us there, and other issues and to report to me by the end of the year. The results of this review in hand, I intend to move quickly to formulate the necessary policies for building our new socioeconomic structures.

In addition, the government also intends to submit the basic Environmental Protection Bill and the Administrative Procedures Bill to this session of the Diet. These bills are basic to medium- and long-term policy implementation in the sense of developing comprehensive environmental policies for the future and attaining fair and transparent administration, and I intend to do my best for their prompt passage.

#### **To Be a Trusted Member of the International Community**

The international situation today is extremely murky and fluid, and the international community faces a host of difficult issues such as the sluggishness in the world economy, regional conflicts in Bosnia and other regions,

concerns about nuclear proliferation in North Korea and elsewhere, the developing countries' troubles with poverty and starvation, and global environmental issues. Yet we have a historic duty to overcome these difficulties and to build a new international order for post-Cold War peace, and Japan intends to do its utmost to fulfill its responsibilities and to become an even more trusted member of the international community by playing an active role in the solution of these global issues.

The Japanese peacekeepers who took part in the UN operation in Cambodia have recently started returning home, and I would like to take this opportunity to offer my thanks and respects for the work that they have undertaken. I believe it is fully consistent with Japan's ideals of advocating international cooperation and aspiring to lasting peace that we actively contribute to United Nations peacekeeping operations under our peace Constitution. With the full understanding of the people, I intend for Japan to steadily do what it can in such UN-centered international efforts for world peace and stability. With the permission of the Diet, I would like to attend the United Nations General Assembly later this month to articulate this determination there and to explain my thoughts on such issues as Japan's approach in its efforts to reform and strengthen the United Nations.

If I am able to attend the United Nations General Assembly and am able to meet with U.S. President William Clinton then, I would hope we could—two leaders of the same generation, both calling for change—have an open and honest exchange of views on Japan-U.S. relations and the many problems facing the international community and build a relationship of trust and cooperation between us. It is especially important that Japan and the United States cooperate in the economic sphere to fulfill their global economic responsibilities, and Japan will pursue constructive engagement in the consultations started this month on the framework for a new economic partnership, including bilateral cooperation on the many issues of global significance and including Japan's own efforts in promoting noninflationary and domestic-demand-led economic growth, improved market access, and other initiatives and seeking enhanced U.S. efforts for addressing its policy agenda, such as reducing the U.S. fiscal deficit and buttressing American industry's international competitiveness.

Looking at the diplomatic schedule for the rest of the year, I see the Tokyo international conference on African development in early October and the possibility of an informal leaders conference following the Asia Pacific Economic Cooperation (APEC) ministerial meeting in the United States in mid-November, as well as Russian President Boris Yeltsin's expected visit to Japan. Likewise, the final adjustments are under way in Geneva and elsewhere in an effort to bring the Uruguay Round to a successful conclusion by the end of the year. Fully aware of the expectations held of Japan, I believe it is imperative that Japan make the utmost possible contribution to



world peace and prosperity as an international state and fulfill its responsibilities consistently. On relations with Russia, along with working tenaciously for the resolution of the northern territories issue and the full normalization of our relations, I also intend to extend the appropriate support to reform efforts in Russia.

Building upon the dramatic developments in the negotiations for a Middle East peace, Japan also intends to cooperate for the attainment of peace in the Middle East.

#### Conclusion

From the end of the war until the present day, Japan has driven single-mindedly toward the goals of economic growth and industrial development until we have become referred to as an economic power almost before we knew it. While I have the highest respect for the efforts of everyone who worked so hard during those years, I also recognize that there was much overlooking of the sacrifices made in the name of national development.

I would not be surprised if many of the people are bewildered and wonder why, even though they have worked this hard and Japan has become one of the world's leading economic powers, they still cannot feel they are well off and Japan somehow does not seem to have the respect it should from the rest of the international community. While this effort to fundamentally review and reform the values and systems that we have grown so familiar with over the last nearly half a century will obviously entail some hardship and meet with some resistance, this is a trial that we must come through successfully if we are to ensure ourselves a brighter future in these rapidly changing times.

There is an old saying to the effect that the government is the sails and the people the wind powering the ship of state on the sea of history, and it is now more than ever essential that all of the people raise their voices articulating in what direction Japan should travel in the future and that politicians respond to this will. While political reform is an important first step to ensuring that the will of the people finds reflection in national policy, there is a whole host of problems before us, on none of which we can afford any delay. I am determined to move ahead with the people in enacting political reform as soon as possible and in progressing toward a brighter tomorrow in which we can all have a firm sense of a richer future.

I hope all of the people and the members of the Diet will grant me their understanding and cooperation in this effort.

#### Construction Group's Head Arrested for Bribery

*OW2009140293 Tokyo KYODO in English 1348 GMT 20 Sep 93*

[Text] Tokyo, Sept. 20 KYODO—Prosecutors on Monday [20 September] arrested Shimizu Corp. chairman Teruzo Yoshino for allegedly bribing former Ibaraki Governor Fujio Takeuchi to gain favor in bids on public works projects in the prefecture.

Yoshino, 75, gave 10 million yen to Takeuchi in a suspected payoff in December last year, prosecutors said.

The arrest of Yoshino is part of a wider investigation into a series of alleged bribery cases involving payments from major construction companies to leading public officials.

#### Central Bank Cuts Discount Rate to 1.75 Percent

*OW2009234993 Tokyo KYODO in English 2339 GMT 20 Sep 93*

[Text] Tokyo, Sept. 21 KYODO—The Bank of Japan (BOJ) on Tuesday lowered the official discount rate by three-quarters of a percentage point, effective immediately, to an all-time low of 1.75 percent per annum.

The BOJ decided on the cut at an extraordinary policy board meeting in the morning to back up the government's fresh stimulus package launched last Thursday [16 September] in a bid to shore up business, battered by the yen's recent sharp rise and an unusually long rainy season and cool summer.

The 0.75-point slash is deeper than the half-point cut widely predicted in recent reports, and shows the central bank's determination to ensure that the economy stages a "moderate" recovery in the second half of the current fiscal year.

The cut in the key lending rate is the seventh since July 1991 when the central bank reduced the rate—by 0.50 percentage point to 5.5 percent—for the first time in more than four years.

The last cut in the rate, which the BOJ charges on window loans to private banks, was made in February, bringing it down to the previous record low of 2.5 percent registered between February 1987 and May 1989.

To encourage corporate spending, the BOJ has been easing its grip on market rates since mid-August, sending money market rates to record lows and prompting banks to lower their short- and long-term prime lending rates.

Despite the efforts, the central bank was confronted with the poor results of the latest economic indicators, including the August "tankan" survey of business confidence and the April-June Gross National Product (GNP).

The indicators raised concern over spreading labor cut-backs and "downward risks" of the bank's scenario of a "moderate" economic recovery in the second half of the current fiscal year.

The "tankan" quarterly survey showed business confidence among major manufacturers waning again after pausing in its downward trend in the previous May survey.



The GNP shrank 0.5 percent from the previous quarter, or an annual 2.0 percent, posting the first fall in three quarters.

Meanwhile, the credit easing backs up the government's just-launched economic measures—including various types of deregulation, the recycling of benefits from the yen's rise to consumers, and additional spending worth some 6.2 trillion yen.

Also in sight is stronger foreign pressure on Japan to boost domestic demand to reduce its huge trade surplus, especially ahead of Prime Minister Morihiro Hosokawa's first visit to the United States in late September and a meeting of finance ministers and central bankers of the Group of Seven economic powers expected in Washington on September 25.

The new discount rate compares with official rates of 3.0 percent in the United States and 6.25 percent in Germany.

The Germany Bundesbank [as received] cut the rate this month by 0.5 percent, exerting further pressure on Japan to cut its rate.

#### **Ministers Welcome Rate Reduction**

*OW2109014293 Tokyo KYODO in English 0118 GMT  
21 Sep 93*

[Text] Tokyo, Sept. 21 KYODO—Two economic ministers welcomed the 0.75 percentage point cut by the Bank of Japan (BOJ) on Tuesday [21 September] in the official discount rate to 1.75 percent per annum, saying it will help boost the nation's economy.

Finance Minister Hirohisa Fujii said the BOJ's decision was "timely and appropriate" from the viewpoint of the nation's economic situation and financial market development.

Fujii said he believes the rate reduction will contribute to continuous expansion of economic growth in harmony with a government package of economic pump-priming measures announced last Thursday.

Hiroshi Kumagai, minister of international trade and industry, said the rate cut, to a historic low, was appropriate to the serious situation of the economy. Kumagai said the rate reduction should be promptly reflected in lending rates by financial institutions to corporations to help ease the burden of loans.

Company managers should have confidence in the positive future economic development, he said.

#### **Mieno: Cut 'Maximum' Measure**

*OW2109023793 Tokyo KYODO in English 0219 GMT  
21 Sep 93*

[Text] Tokyo, Sept. 21 KYODO—The Bank of Japan (BOJ) cut the official discount rate to a record low Tuesday in what its governor, Yasushi Mieno, called its maximum effort to shore up business activities hit by the yen's sharp rise and unseasonal weather.

"The rate cut is the maximum monetary measure for the time being...Sending interest rates to unprecedented low levels," Mieno told a news conference after the central bank announced the cut in the key lending rate by three-quarters of a percentage point to an all-time low of 1.75 percent a year, effective immediately.

The BOJ decided on the cut at a special meeting of its policy board to back up the government's fresh stimulus package launched on last Thursday [16 September] in a bid to put the economy back on track for "sustainable noninflationary growth."

Mieno stressed that the central bank must act "swiftly and flexibly" to prevent a recurrence of the asset inflation that characterized the "bubble economy" of the late 1980s.

He said that continued declines in commercial land prices and a cautious lending stance by private financial institutions suggest such inflation is unlikely for the time being.

Against this backdrop, the central bank made a "comprehensive judgment" of the current state of the economy and previous fiscal and monetary measures to underline its policy for a further credit easing through the "announcement effect" of the rate cut, Mieno said.

He said the central bank will continue to guide market rates lower and expects private deposit and lending rates to follow suit.

The BOJ has been easing its grip on market rates since mid-August as one pillar of its measures after the liberalization of time deposit rates this June allowed it to cut private deposit and lending rates without changing the official discount rate—the key aim of monetary policy.

Money market rates have fallen to record lows, prompting banks to lower their short- and long-term prime lending rates.

Despite such efforts, Mieno said the economy remained stagnant, with "no signs yet of economic recovery...Amid continued lackluster capital investment and personal consumption," which are considered the pillar of private demand.

The central bank has been maintaining a scenario of "moderate" recovery in the second half of the current fiscal year, but the latest economic indicators led by the central bank's tankan quarterly business confidence survey and the April-June gross national product pointed at an "increased risk" for a delay in Japan's recovery, Mieno said.

To ensure recovery, he said the central bank decided to cut the key rate as part of a "policy mix" with fiscal measures.

Last Thursday, the government launched a fresh stimulus package consisting of plans to ease 94 regulations, pass along to consumers benefits of the yen's rise, and spend an additional 6.2 trillion yen.



The 0.75-point cut is deeper than the half-point cut widely predicted in recent reports, and shows the central bank's determination to ensure a recovery.

The cut in the key lending rate, which the BOJ charges on window loans to private banks, is the seventh since July 1991, when the central bank reduced the rate for the first time in more than four years, by 0.5 point to 5.5 percent.

The last cut was made in February, when the rate was cut to 2.5 percent per annum, equal to the record at which it stood from February 1987 to May 1989.

Mieno said, however, that the bank will not abandon its recovery scenario, reiterating that the "environment" for a recovery is gradually improving.

He cited progress in cutbacks in excess inventory as well as the fiscal measures that are just starting to take effect—including the previous stimulus package of 13.2 trillion yen adopted in April—and the continued easing of credit.

Although Mieno ruled out any foreign pressure behind the rate cut, the BOJ also apparently had in mind expected calls on Japan for further measures to boost domestic demand to reduce its huge trade surplus at meetings starting this weekend with Japan's trading partners.

Prime Minister Morihiro Hosokawa is leaving Saturday for his first visit to the United States, and finance ministers and central bankers of the group of seven economic powers are to meet in Washington on Saturday.

The new discount rate compares with official rates of 3.0 percent in the United States and 6.25 percent in Germany.

The German bundesbank cut its discount rate by 0.5 percentage point on September 10, and at the same time reduced its Lombard benchmark rate by a similar amount to 7.25 percent, putting pressure on Japan to cut its rate ahead of the meetings.

Private economists gave relatively high marks to the rate cut along with the new fiscal package, but were skeptical about its effectiveness in achieving the government's target of 3.3 percent growth in Japan's real gross national product (gnp) in the current fiscal year, ending next March.

Atsushi Miyawaki, senior economist at the Japan Research Institute, said the 0.75-point cut is expected to lift real growth in fiscal 1993 by 0.1 percentage point, together with a boost of 0.1 to 0.2 point from the latest package. "No way will the economy attain the government's target," Miyawaki said.

The economy planning agency said an average 2.30 percent growth is necessary to attain the target in the coming quarters, after reporting that real GNP shrank

0.5 percent in the April-May quarter from the previous three months, or an annualized shrinkage of 2.0 percent.

Otherwise, the Hosokawa cabinet deserves praise for taking such monetary and fiscal measures in the short period of only about a month after coming to power, Miyawaki said. But trading partners will likely press strongly for further measures, particularly an income tax cut and setting numerical trade targets, unless the new government indicates that the actions are a "first step" that will lead to more deregulation and other measures not taken by the former government, he said.

#### MITI's Kumagai Comments on Cut

OW2109024393 Tokyo KYODO in English 0229 GMT  
21 Sep 93

[Text] Tokyo, Sept. 21 KYODO—Japan's trade minister suggested Tuesday [21 September] that the cut in the official discount rate earlier in the day concluded a set of urgent pump-priming measures.

International Trade and Industry Minister Hiroshi Kumagai said at a news conference, "all we can do for the time being came out with this (cut in the base rate)."

The Bank of Japan announced early in the day a 0.75 percentage point cut in its base rate to a record low of 1.75 percent per annum.

Referring to reports that U.S. officials doubt the effects of the government's stimulus package announced last Thursday, Kumagai said he wants the U.S. Administration to correctly understand the package including the official discount rate cut.

#### Hosokawa, Officials Hail Cut

OW2109043793 Tokyo KYODO in English 0407 GMT  
21 Sep 93

[Text] Tokyo, Sept. 21 KYODO—Government officials hailed the Bank of Japan's decision to lower its official discount rate Tuesday [21 September], calling it appropriate and good for the sluggish economy. "I believe it is an appropriate decision," Prime Minister Morihiro Hosokawa told a group of reporters when asked for comment on the central bank's decision to lower the key interest rate by 0.75 percentage point to a historic low of 1.75 percent.

Finance minister Hirohisa Fujii said the rate cut should have a good impact on the national economy as a whole and help bolster corporate capital spending.

"I believe it's a more drastic monetary policy than had been expected," Fujii said at a press conference.

Fujii said he is confident that the rate cut will not lead to a renewed flare-up of the so-called "bubble economy" as seen in the late 1980s because the economic background has changed. The bubble economy was a period of asset inflation caused by extremely low interest rates in the late 1980s.



"If any sign (of the bubble economy) comes to the surface, the Bank of Japan should take it into account in its monetary policy steering," Fujii noted.

Speaking at a separate press conference, International Trade and Industry Minister Hiroshi Kumagai described the rate cut as the last in the latest set of economic stimulus measures. "All we can do for the time being came out with this," Kumagai said.

Manae Kubota, director general of the Economic Planning Agency, said she is confident that the rate cut will help stimulate personal spending and corporate investment in plant and equipment as well. "It will have a plus effect on GNP (Gross National Product)," Kubota said at a separate press conference.

Like Fujii, Kubota shrugged off concern about a possible flare-up of the bubble economy, saying that land and stock prices are not in an upward trend as they were in the late 1980s.

#### **Minister Hata Foresees No Need for Rice Imports**

*OW2109044693 Tokyo KYODO in English 0423 GMT 21 Sep 93*

[Text] Tokyo, Sept. 21 KYODO—Japan's Farm Minister Eijiro Hata said Tuesday [21 September] there is no need to import rice for the time being despite a poor rice harvest this year.

Hata told reporters that he conveyed his view to other cabinet members when they got together earlier in the day for a regular cabinet meeting. "I don't want to throw (society) into confusion," Hata said in an apparent reference to rice farmers' worries about a possible opening of the rice market to imports.

The Agriculture, Forestry and Fisheries Ministry said last month that the nation's rice harvest this year is likely to be the worst in 40 years because of a wet, cool summer.

The projected poor rice harvest has caused a chorus of calls among some rice users, such as food makers which use processed rice, for an emergency rice import. Last week a private institute forecast that Japan will have to import one million tons of rice to overcome the rice shortage.

#### **North Korea**

#### **KCNA Reports on Mitterrand's Comments in Seoul**

*SK2109105293 Pyongyang KCNA in English 1026 GMT 21 Sep 93*

[**"Sinister Collusion"**—KCNA headline]

[Text] Pyongyang, September 21 (KCNA)—The chief executive of South Korea, Kim Yong-sam, reportedly had a confab with French President Mitterrand in Seoul, to do harm to the DPRK.

At the confab, Kim Yong-sam asked the French side to render continued cooperation as regards the "nuclear issue" of the DPRK, arguing that "maintenance of the international mutual assistance system was necessary in this regard." Mitterrand chimed in with him, claiming that "the nuclear issue of the North is a threat to the whole world" and that "The North must accept nuclear inspection."

This is a sinister collusion to do harm to the DPRK and a despicable plot to put pressure on it with recourse to the "international mutual assistance system."

Utterly dismayed at the publication of the historic statement of the talks between the DPRK and the United States which had backed his rash acts, Kim Yong-sam made much ado this time to prevent the collapse of the "international mutual assistance system," clinging to the sleeves of France like a drowning man trying to catch at a straw.

This brought into bolder relief the anti-national, anti-reunification nature of Kim Yong-sam accustomed to conspiracy with outside forces against fellow countrymen.

He was once branded as "political prostitute" as he defected without hesitation to the ruling party from the opposition camp in order to realise his greed for power. After taking office, he flung himself to the embrace of the United States, Japan and other big powers to hurt fellow countrymen. This time, he kissed Mitterrand, casting an amorous glance at France. His flunkiest and treacherous conduct cannot but draw despise and indignation from people.

It should not go unnoticed that France has joined in the South Korean authorities' reckless acts of vilifying the DPRK. It is outrageous for the chief executive of France who takes a passive attitude regarding the question of nuclear test ban, dreaming of building up nuclear armament, to hurl mud at the DPRK which has neither the intention nor the capacity to develop nuclear weapons.

At a time when negotiation is underway between the DPRK and the United States to solve the nuclear issue, Mitterrand sang a duet over the nuclear issue with the South Korean puppets who have no powers at all, motivated not by a position to see the denuclearisation of the Korean peninsula but by an intention to fish in troubled waters by winning favour from the South Korean rulers through a puppet show.

Mitterrand's visit to South Korea where fascism holds sway was a disgraceful trip which considerably impaired the prestige of France, a permanent member of the U.N. Security Council, and showed the economic vulnerability of France which has no alternative but to pin hopes on transactions with the dependent economy of a colony.

No matter how Kim Yong-sam and Mitterrand may shout themselves hoarse for international pressure and "sanctions" against the DPRK, no one will be frightened.



Those who do wrongs to hurt others must know that curses, like chickens, come home to roost.

### **New PRC Ambassador Arrives in Pyongyang**

*SK2109000593 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 20 Sep 93*

[Text] Qiao Zonghuai, new PRC ambassador extraordinary and plenipotentiary to the DPRK, arrived in Pyongyang on 20 September.

### **PRC State Bureau of Archives Group Arrives**

*SK2009141693 Pyongyang KCNA in English 1115 GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—A delegation of the State Bureau of Archives of China led by its Deputy Director Zhang Chengliang arrived here today by air.

### **NPC Delegation Returns to PRC 20 Sep**

*SK2109085993 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 20 Sep 93*

[Text] The visiting delegation of the National People's Congress [NPC] of China led by Wang Hanbin, vice chairman of the NPC Standing Committee, returned home today [20 September].

Paek In-chun, vice chairman of the Supreme People's Assembly [SPA]; Yu Ho-chun and Yi Song-ho, SPA deputies; other relevant functionaries; and Ning Fukui, PRC charge d'affaires ad interim to the DPRK, saw the delegation off at the airport.

### **Russian War Veterans Delegate Praises Pyongyang**

*SK2009151993 Pyongyang KCNA in English 1503 GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—Nikolay Lyashenko, head of the war veterans delegation of the Russian Federation, who had participated in the celebrations of the 40th anniversary of the Korean people's victory in the Fatherland Liberation War gave his impressions of Korea.

Pyongyang has turned into a world's famous city which has assumed flawless looks of capital city as the centre of politics, the economy and culture, he said, and went on:

"Pyongyang is a city in a park, a modern, youthful city full of the joy of life.

"The Tower of the Chuche Idea, the Arch of Triumph, the Grand People's Study House, the Changgwang health complex, the West Sea barrage and other monumental edifices and the modernly-built Changgwang, Kwangbok and Tongil Streets show the true popular policy of Korea and her tremendous economic potentials.

"In Korea the popular masses exercise their rights as true masters of the country and society, and breathe and act as one, united around the party and the leader as firm as a rock.

"The military parade and civilian demonstration marking the 40th anniversary of the victory in the war showed well to the leaders and the people trust each other.

"All the achievements are results of the wise leadership of the Korean party and government and respected Comrade Kim Il-song."

### **Reportage on Thai Defense Minister Sukmak's Trip**

#### **Kim Il-song Receives Gift**

*SK2009134193 Pyongyang KCNA in English 1107 GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—The great leader President Kim Il-song received a gift from Sukmak Wichit, minister of defence of the Kingdom of Thailand, on a visit to Korea.

It was handed to Minister of People's Armed Forces O Chin-u.

#### **Kim Chong-il Receives Gift**

*SK2009135093 Pyongyang KCNA in English 1108 GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Sukmak Wichit, minister of defence of the Kingdom of Thailand, on a visit to Korea.

It was handed to minister of People's Armed Forces O Chin-u.

#### **Kim Il-song Meets Sukmak**

*SK2009140793 Pyongyang KCNA in English 1113 GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—The great leader President Kim Il-song today received Sukmak Wichit, minister of defence of the Kingdom of Thailand, and his party on a visit to Korea.

Present there was O Chin-u, minister of People's Armed Forces.

President Kim Il-song had a talk with the defence minister in a cordial and friendly atmosphere.

#### **Sukmak Receives Award**

*SK2109072393 Pyongyang KCNA in English 0433 GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—A ceremony took place here Monday to award an order of the Democratic People's Republic of Korea to the defence minister of the Kingdom of Thailand.



Present at the awarding ceremony were Minister of People's Armed Forces O Chin-u and officials concerned.

A decree of the Central People's Committee of the DPRK was read out and O Chin-u awarded friendship order first class to Thai Defence Minister Sukmak Wichit.

#### **Concludes Visit**

*SK2109122693 Pyongyang KCNA in English 1017  
GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—Thai Defense Minister Sukmak Wichit and his party flew back home today after a 4-day visit to Korea.

During the stay, Sukmak Wichit visited Mangyongdae, the Kang Kon Military Academy, the Mangyongdae School Children's Palace, the West Sea barrage, the Arch of Triumph and other places.

After going round the West Sea barrage, he wrote in the visitors' book that they were greatly moved to see the barrage built by soldiers of the Korean People's Army under the wise leadership of President Kim Il-song, the great leader of the Korean people.

The barrage is not only of great economic value but of weighty significance in preventing natural disasters, he noted, adding it is a great creation of the Korean people.

The Thai defense minister also laid a wreath in the revolutionary martyrs' cemetery on Mt. Taesong and saw a circus show and a performance by the art circle members of the Mangyongdae School Children's Palace.

#### **Kim Il-song Receives Peruvian Communist Group**

*SK2109124393 Pyongyang KCNA in English 1035  
GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—The great leader President Kim Il-song today received the visiting delegation of the Peruvian Communist Party led by General Secretary of the Central Committee of the Party Renan Raffo Munoz.

Present on the occasion were Choe Tae-pok, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK]; and Pak Kyong-son, vice-director of a department of the WPK Central Committee.

President Kim Il-song had a cordial and friendly talk with the guests.

He arranged a luncheon for the guests.

#### **Receives Gift From Delegation**

*SK2109124493 Pyongyang KCNA in English 1036  
GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—The great leader President Kim Il-song received a gift from the visiting delegation of the Peruvian Communist Party [PCP].

The gift was handed to Choe Tae-pok, alternate Politburo member and secretary of the Central Committee, the Workers' Party of Korea, by Renan Raffo Munoz, general secretary of the PCP Central Committee, who is leading the delegation.

#### **Kim Chong-il Receives Gift**

*SK2109124693 Pyongyang KCNA in English 1037  
GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the visiting delegation of the Peruvian Communist Party [PCP].

The gift was handed to Choe Tae-pok, alternate Politburo member and secretary of the Central Committee, the Workers' Party of Korea, by Renan Raffo Munoz, general secretary of the PCP Central Committee, who is leading the delegation.

#### **Kim Il-song Receives ITU Secretary General**

*SK2009140293 Pyongyang KCNA in English 1109  
GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—The great leader President Kim Il-song today received Pekka Tarjanne, secretary-general of the International Telecommunications Union (ITU), and his companion, on a visit to Korea.

Present there were Kim Yong-nam, vice-premier and foreign minister, and Kim Hak-sop, minister of post and communications.

President Kim Il-song had a talk with the guests in a warm and friendly atmosphere.

#### **Receives Gift**

*SK2009140393 Pyongyang KCNA in English 1110  
GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—The great leader President Kim Il-song received a gift from Pekka Tarjanne, secretary-general of the International Telecommunications Union (ITU), on a visit to Korea.

The gift was handed to an official concerned.

#### **Kim Chong-il Receives Gift**

*SK2009140493 Pyongyang KCNA in English 1111  
GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Pekka Tarjanne, secretary-general of the International Telecommunications Union (ITU), on a visit to Korea.

The gift was handed to an official concerned.

#### **Ugandan Party Official Arrives in Pyongyang**

*SK2009141393 Pyongyang KCNA in English 1114  
GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—Jotham Tumwesigye, deputy national political commissioner of



the Secretariat of the National Resistance Movement of Uganda, arrived here today.

He was met at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and Kim Chang-su, vice-president of the Chuche Idea Academy.

#### **Hwang Chang-yop Meets Official**

*SK2109120493 Pyongyang KCNA in English 1042  
GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—Secretary Hwang Chang-yop of the Central Committee of the Workers' Party of Korea today had talks with Jotham Tumwesigye, deputy national political commissioner of the secretariat of the National Resistance Movement of Uganda.

Both sides informed each other of their activities and exchanged views on further developing relations between the two parties and a series of matters of mutual concern.

The talks proceeded in a comradely and friendly atmosphere.

#### **WPK, Official Sign Accord**

*SK2109132393 Pyongyang KCNA in English 1046  
GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—An agreement on friendship and cooperation between the Workers' Party of Korea [WPK] and the Uganda National Resistance Movement was signed in Pyongyang today.

Present at the signing ceremony on our side were Hwang Chang-yop, secretary of the WPK Central Committee, and officials concerned and on the other side was Jotham Tumwesigye, deputy national political commissioner of the secretariat of the Uganda National Resistance Movement.

The agreement says that the two parties shall regularly exchange experiences in party work and different delegations and hold diverse functions with a view to further consolidating and developing the relations of friendship, solidarity and cooperation between the two parties.

The agreement was signed by secretary Hwang Chang-yop and Deputy National Political Commissioner Jotham Tumwesigye.

#### **Kim Il-song Sends Greetings to Foreign Leaders**

##### **To Malian President**

*SK2109120893 Pyongyang KCNA in English 1039  
GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Alpha Oumar

Konare, president and head of State of Mali, on the occasion of the 33rd anniversary of the proclamation of the Republic of Mali.

President Kim Il-song in the message wished the president and people of Mali great success in the work for national unity and the prosperity of the country.

He expressed the belief that the good relations of friendship and cooperation between the two countries would continue to develop.

##### **To Maltese President**

*SK2009133293 Pyongyang KCNA in English 1104  
GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Vincent Tabone, president of the Republic of Malta, on the occasion of the 29th anniversary of the independence of his country.

President Kim Il-song in his message expresses the belief that the friendly relations between the two countries will continue to develop.

##### **To Belize Prime Minister**

*SK2009133593 Pyongyang KCNA in English 1106  
GMT 20 Sep 93*

[Text] Pyongyang, September 20 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings to Manuel Esquivel, prime minister of Belize, on the occasion of the 12th anniversary of the independence of Belize.

President Kim Il-song in his message wished the prime minister and people of Belize success in the work for the independent development and prosperity of the country, and expressed the belief that the friendly relations between the two countries would continue to develop.

#### **Daily 'Refutes' 'Rhetorics' on Japanese Action**

*SK1809050493 Pyongyang KCNA in English 0441  
GMT 18 Sep 93*

["What Are They Going To Preach?"—KCNA headline]

[Text] Pyongyang, September 18 (KCNA)—NODONG SINMUN today refutes the nonsensical and shameless rhetorics that came from a rally sponsored a few days ago in Japan by a people's council named "Japan Is Not an Aggressive State", which styles itself a special group.

Arguments rang out of the rally that "Japan was fated to confront the whites and save Asia" and "if Japan did not fight in the Second World War, many Asian and African countries would still remain colonies of the West."

The analyst says:

It is a common sense that a crow cannot turn into an egret and a wolf cannot protect a flock of sheep. It was



neither to "protect" anyone nor to "terminate the colonial rule of the West that Japan provoked the war. It was to reduce Asian countries to its colonies, establish its domination and fatten itself. In fact, Japan occupied many Asian countries by force of arms and established a colonial rule without parallel, imposing unspeakable misfortunes, sufferings and damages upon the people in this region. Japan is an aggressive state in every respect. This is publicly recognised in the international community. So, Japan is named "an enemy state" in the United Nations charter.

Even the words that Asian countries should "express thanks" to Japan rolled off the tongues of some speakers at the rally. This is an intolerable insult to the Asian peoples. The preach that the Asian countries should "express thanks" to the aggressor who robbed them of their countries, killed numerous defenceless people and took away a colossal amount of property is the height of brigandism and arrogance. Is there any victim in this world who would express thanks to a robber?

Japan cannot be absolved of the label of an aggressive state, even if the participants of the rally cried that Japan is not such a country.

We think that the Japanese people who want peace and love justice must feel shame for the fact that an organisation preaching a war of aggression is at liberty and hateful words praising aggression are spun out without hesitation on the Japanese soil.

The defenders of the war of aggression must not act rashly.

#### **Koreans in Japan Start Campaign on Comfort Women**

*SK1809105393 Pyongyang KCNA in English 1003  
GMT 18 Sep 93*

[Text] Pyongyang, September 18 (KCNA)—The "Democratic Society of South Korean Women in Japan" launched a postcard signature campaign in Tokyo, Osaka and other areas of Japan on September 1 demanding of the Japanese Government an early solution of the problem of "comfort women for the army". MINJOK SIBO, a newspaper of Korean residents in Japan, reported.

It strongly urged the Japanese Government to continue probing the truth behind the case of "comfort women for the army", adopt a resolution of apology at the Japanese Diet and compensate to the "comfort women" at an early date.

The postcard signature campaign is scheduled till the end of October.

#### **Daily on Japanese Defense Official's Remarks**

*SK1809110093 Pyongyang KCNA in English 1012  
GMT 18 Sep 93*

[*"Sinister Intention in Provoking Other"*—KCNA headline]

[Text] Pyongyang, September 18 (KCNA)—The director general of the Japanese Defence Agency at a recent press interview mumbled about the DPRK's "missile threat".

Commenting on this, MINJU CHOSON today says that it is a crafty ruse of the Japanese authorities to justify their military buildup and nuclear armament for overseas aggression that they, availing themselves of every opportunity, kick up a fuss over the DPRK's "development of nuclear weapons" and "missile threat".

Recalling that the Japanese ruling quarters had in the past sought unlimited arms expansion allegedly for "self-defence" and steadily increased capabilities of overseas operation of the Japanese Armed Forces with a doctrine of "controlling beforehand" somebody's "attack" outside the Japanese territory, raising a hue and cry over the "threat" of someone, the author of the article says:

Japan is actually developing latest types of missiles and is possessed of various kinds of attack weapons, and is threatening the DPRK and scheming to stifle it. It is a legitimate right of an independent and sovereign state for the DPRK to strengthen its defence power under this situation.

It is futile for the Japanese authorities to try to get something from behaving craftily, hurling mud at others.

They should ponder over what consequences would be brought by their reckless words and deeds.

#### **Daily on Japan's 'Crafty Move' on Comfort Women**

*SK1909115693 Pyongyang KCNA in English 1044  
GMT 19 Sep 93*

[*"Japan's Shameless Attempt To Evade Liquidation of Its Past"*—KCNA headline]

[Text] Pyongyang, September 19 (KCNA)—Only when Japan takes a road of honest apology and compensation instead of shamelessly trying to conceal her past crimes with a "veil" can she make a new start, says NODONG SINMUN today in a signed article.

The paper says:

Above all, the Japanese Government has no guilty consciousness in having invaded and inflicted enormous misfortunes upon other countries in the past. And, far from making sincere apology and compensation to the afflicted countries, it justified its crimes with the mode of thinking that there was no other way but to do so in those days.

Moreover, the Japanese authorities have resorted to a crafty move to evade the liquidation of its past with the advertisement of "international contribution" and the influence of an "economic power".

In fact, "economic growth and richness" advertised by Japan are the reward of the invasion and plunder of



other countries and a result of keeping off sincere compensation for the afflicted countries. The Japanese imperialists had deprived our country of a large quantity of natural resources and products, forcibly took away more than 6 million Koreans and killed one million people for more than 40 years when they occupied Korea as their colony.

Japan is not qualified to talk about "economic development and growth of Japan" and "international contribution" without sincere apology and compensation to the afflicted countries.

The dishonest stand of Japan in the liquidation of its past is revealed in that she takes a wrong stand of repentance, recognising one material after another only when she could not deny them.

The Japanese Government published "results of investigation" into the case of the "comfort women for the army" on two occasions and expressed "apology" on several times.

However, it was not an expression of sincere apology from the Japanese Government. It is a clumsy ruse to appease the international opinions against the inhuman atrocities of the Japanese imperialists which are causing a big stir in Asia and the world.

The more Japan tries to shirk her responsibility of apology and compensation for her past crimes, the more unfavourable results it will bring to her.

#### **Daily on Japanese 'Distortion' of Korean History**

*SK2009132193 Pyongyang KCNA in English 1054  
GMT 20 Sep 93*

[**"Distortion of Korean History is Intolerable"**—KCNA headline]

[Text] Pyongyang, September 20 (KCNA)—NODONG SINMUN today carries an article titled "Distortion of Korean History Is Intolerable" jointly contributed by Profs. and Drs. Director Chon Yong-yol, room chief Ho Chong-ho, room chief Son Yong-chong and researcher Yi Chong-hyon of the History Institute of the Academy of Social Sciences, refuting the distortion of Korean history in the "Standard World History" and "Secondary School History" published by the Education Ministry authorities of Japan in 1993.

The lengthy article with subtitles "Crude Distortion of Long History of Independence" and "Whitewashing of History of Aggression" exposes through indisputable historical data that by systematically distorting the history of Korea, the Education Ministry authorities of Japan seek a sinister intention to prove the "backwardness" and "inferiority" of the Korean nation and whitewash Japan's crime-woven history of aggression on Korea.

The article deals with a crude distortion of the long history of Korea.

The Education Ministry authorities of Japan shortened the history of the Korean nation by thousands of years by ignoring its initial period. They described the period of the formation of states in Korea as far later than true and wrote that the history of civilisation of the Korean nation began in the period of three states, Koguryo, Paekje and Silla. This is a vicious forgery of history.

The Korean nation began to create its history more than a million years ago.

The Bronze Age began in the middle of the 3000's B.C. and the first state, ancient Korea, was established in the 24th century B.C..

The first feudal state, Koguryo, was founded in 277 B.C. and the other feudal states, Paekje, Silla and Kaya, were built before or after Christ. Thus, the 2,000 odd year old ancient slave society ended and another 2,000 years of feudal era began.

However, the Japanese textbooks write "Agriculture began around the 7th century B.C. and bronze and iron ware were used some time later on the Korean peninsula...." and say that Koguryo was formed before or after Christ and Paekje and Silla in the middle of the 4th century A.D. (p. 31, "Secondary School History"; p. 111, "Standard World History")

The deletion of ancient Korea and the description of the period after Christ as the time of the formation of states far later than true are a replica of the outdated reactionary theory of paid colonial historians of Japanese imperialism.

Their purpose was to preach the "backwardness" of the history of the Korean nation and the "inferiority" of the Korean nation and historically justify the aggression and rule over Korea.

The Japanese authorities say in the textbooks that "Han Dynasty conquered the northern part of the Korean peninsula and ruled it, dividing it into Nakrang County, etc." (p. 31, "Secondary School History") and that the Yamato state formed in the first half (or middle) of the 4th century became a strong country in the latter half, stretched its hands to the Korean peninsula and sent troops to the Kara (Imna) area to fight Koguryo and Silla.

The Education Ministry authorities also seek a sinister purpose in distorting the formation of the first unified state in Korea.

History textbooks of Japan say that Silla "ruined Paekje and Koguryo in the 7th century and founded the first unified state in Korea." (p. 111, "Standard World History") This is because the argument about "unification of three states by Shilla" accords with the Japanese authorities' one-sided policy of having relations with South Korea only and their aggressive policy of stifling the DPRK.



The Japanese authorities are trying to defend and veil the thrice-cursed crimes of aggression and inhuman atrocities committed by the Japanese aggressors in Korea in the past.

As for the Imjin (1592) war against Japanese invasion, Japanese history textbooks say as follows: "Hideyoshi, angry at the failure to get cooperation of Korea in the dispatch of troops to the Ming Dynasty, thought of conquering Korea before any other country and ordered the Taimyos (local lords) across the country to dispatch troops in 1592." As a result of the troop dispatch to Korea, "Korea suffered big losses, the whole land was devastated, many people died and famine continued. And lots of valuable cultural assets were lost." (pp. 132-133, "Secondary School History") there is no description of who was the aggressor and who devastated Korea.

The description in "Secondary School History" that the massacre of Koreans at the time of the grand earthquake in Kanto in September 1923 was committed by "Jikeidan (band of vigilants) formed by inhabitants" is also a distortion of history based on reversed official regulations of chief and accessory criminals. The chief culprits in the massacre of Koreans were tens of thousands of Japanese troops, gendarmes and police, not "Jikeidan".

With regard to the "Unyo Maru" case the Japanese Education Ministry authorities wrote that "Japan had forced Korea to open by availing herself of the Korean side's gunfiring on a man-of-war dispatched to near Kanghwa Island". ("Standard World History" p. 284). Thus, they laid the blame for the case at the door of the Korean side which made a strike at the enemy's warship to defend its territorial waters, not at the door of the Japanese aggressors who illegally intruded into the territorial waters of Korea.

They are making attempts to even bury into oblivion in history the crimes of the Japanese imperialists in the past for good.

The Japanese imperialists occupied Korea under the uncompleted "Ulsa Treaty" of 1905. The Japanese Education Ministry authorities should have denounced the brigandish and shameless nature of the Japanese imperialists, pointing out the illegality of this "treaty", but completely omitted the description of the "treaty".

The "Standard World History" (p. 299) flatly writes that Japan "annexed Korea by depriving her of her sovereignty through Japan-Korea accords on three occasions".

They also left out in textbooks the questions of 200,000 "comfort women for the army", forcible drafting of six million people and slave labor.

By such methods, however, they can neither conceal nor gloss over the anti-human crimes, wartime criminal acts of the Japanese imperialists.

The Japanese Education Ministry authorities also distort the fact that Japan took part in the Korean war as a servant of the United States.

While failing to mention the fact that the United States unleashed the Korean war, the textbooks write that "antagonism grew acuter" between the North and the South and "thus the Korean war started", and that "the U.S. forces used Japan proper and the Okinawa base in this war". ("Secondary School History" p. 305) In this way, they intentionally keep in the dark the aggressive acts of the then Japanese Government which offered the whole territory of Japan to the U.S. forces as their bases for attack, repairs and supply and directly sent troops and warships to the Korean front to fight the DPRK.

The Japanese authorities' distortion of history is not a mere academic issue but a very serious political issue, the authors said, and stressed:

Malrevision of textbooks is part of their moves to race headlong along the road of overseas aggression and, furthermore, to realize their old dream of "Greater East Asia Co-prosperity Sphere" by realizing their aspirations after a military power.

The Japanese authorities must immediately stop malrevising textbooks, sincerely reflect in them and apologize for the aggression, plunder and massacres committed against the Korean people in the past and properly educate the rising generation through textbooks containing the truth of history so that they may not follow in the footsteps of the predecessors.

Should the Japanese Education Ministry authorities persist in their forgery of history despite our repeated warnings and strong protests and condemnations from the peoples at home and abroad, they would be held wholly responsible for all the consequences arising therefrom.

#### **Spokesman's 21 Sep Statement on Panmunjom Contact**

*SK2109024393 Pyongyang Korean Central  
Broadcasting Network in Korean 0100 GMT 21 Sep 93*

[“Press statement” by the spokesman of the DPRK delegation to the North-South high-level talks on 21 September—read by announcer]

[Text] As is known, on 9 September, our side called on the South side to clearly express its position, in any form, by 20 September on suspending the nuclear war exercise and not pursuing a so-called international cooperative system, and proposed that based on this, a contact of the working-level delegates for the exchange of special envoys be held between the North and South around 23 September.

This proceeds from our side's sincere desire to realize, by any means, the exchange of special envoys of the top leaders of the North and the South, which is generating great interest at home and abroad, and to resolve in a good atmosphere with the nation's independent strength the important pending problems, including the nuclear issue, arising in North-South relations.



Despite the fact that our side had repeatedly explained to an understandable degree and had sincerely provided enough time, even until today, when the 20 September deadline has already passed, the South side has not expressed a positive response to our side's constructive and dialogue-seeking proposal.

Furthermore, what we cannot overlook is a grave development that the South Korean side, by even suddenly infiltrating a spy boat into our side's territorial waters, aggravated North-South relations and created a new artificial obstacle to dialogue when the contact of working-level delegates for exchanging special envoys between the North and the South is on the agenda. We express our deep concern and regret over such an act committed by the South side.

The South Korean side responded to our side's earnest and sincere efforts for exchanging special envoys by conducting the Ulchi-93 military exercise last June. [as heard] Considering this, it is not difficult for us to determine the purpose behind the spy boat infiltration incident at this time.

If the South Korean side attempts to achieve an insidious political purpose by means of plotting to harm the party to dialogue and intensifying North-South confrontation, it is a miscalculation.

Mutual trust is a precondition to dialogue. Only when a party can trust the other party can important matters of the nation be candidly discussed with open hearts and excellent fruition be attained.

If the South Korean side has the true will to solve important pending issues between the North and the South, including the nuclear issue, it must prove itself to be a credible party to dialogue by clearly expressing the attitude that it will not commit such a provocative act as infiltrating a spy boat into our side's territorial waters, and it must express its attitude toward the principled issues that we have already put forth.

Our position that the two sides' special envoys of top authorities [choe kowigup tuksadul] should urgently exchange visits to Pyongyang and Seoul and thus make a turning point for the nation's peace and peaceful reunification remains unchanged.

Proceeding from this position, we again urge the South side to respond sincerely to our proposal for exchanging special envoys and give the South side another opportunity by 30 September so that it can clarify its attitude in any form toward the two principled issues we put forth. We truly expect that the South side will be a credible party to dialogue by responding to our generous proposal immediately and positively.

Depending on the degree of sincerity [songuirul poi-nunde tara] which the South side shows toward our demand, our side will go to Panmunjom for a working-level contact on the exchange of special envoys on 5 October.

[Dated] 21 September 1993, Pyongyang

### **KCNA Terms Boat Incident 'Grave Provocation'**

*SK2009123093 Pyongyang KCNA in English 1103  
GMT 20 Sep 93*

[**"Grave Confrontational Move To Aggravate North-South Relations"**—KCNA headline]

[Text] Pyongyang, September 20 (KCNA)—As already reported, the South Korean puppets committed a very grave provocation by infiltrating a spy ship deep into the western territorial waters of the North side on September 16.

According to a report of "Radio No. 1" of South Korea, the puppet "Defence Ministry" foolishly attempted to deny their espionage on September 17, saying the spy ship which was captured by the North side, while engaging in espionage, was a "fish transport ship" and it "mistook the route".

The result of a scrutiny into the captured spy ship by a competent organ, however, was contrary to their talk. There were a portable oxygen respirator, flippers and other apparatuses used for espionage and the ship itself was made of white-color plastic hard to detect by radar. And the compass which the South Korean puppets alleged was in disorder was functioning normal.

This notwithstanding, the South Korean puppets are trying to find fault with the North, saying it is a "fish transport ship" and it "mistook the route". This is a brigandish act reminding one of a thief crying "stop thief!"

The espionage the South Korean puppets committed against the North side by infiltrating a spy ship in broad daylight is a deliberate and premeditated act of provocation intended to push the situation on the Korean peninsula to an extreme pitch of strain and block the dialogue which has been put on the order of the day.

The South Korean authorities committed the grave military provocation, while completely ignoring the North side's just demand that they manifest their stance to discontinue nuclear war exercises and refrain from seeking "international mutual assistance system" for the sake of the North-South dialogue. This fully proves that they have no intention at all to have dialogue with the North.

The South Korean authorities who had begged the United States not to respond to DPRK-USA talks before the North-South dialogue, setting it as a precondition for the third-stage DPRK-USA talks, committed the military provocation, and this speaks volumes for the fact that although they are loudmouthed about dialogue as if they wanted it, they are, in actuality, working overtime to hamper the DPRK-USA talks by neutralizing an exchange of special envoys between the North and the South at any cost.



Facts eloquently tell that the South Korean authorities have no intention for the North-South dialogue and did not like the DPRK-USA talks but are hell bent on deliberately straining the situation with the heinous aim of stifling the North with the help of foreign forces. By doing so they are stripping themselves naked as despicable traitors opposed to dialogue and reunification.

The South Korean authorities must look squarely at the trend of the times and apologize to the nation for their military provocation and immediately stop their criminal acts of heightening the confrontation and tensions between the North and the South.

### **Trade Unions Issue Statements on 'Spy Ship'**

*SK2109123993 Pyongyang KCNA in English 1007 GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—Spokesmen for the Central Committees of the General Federation of Trade Unions of Korea [GFTUK] and the Union of Agricultural Working People of Korea [UAWPK] in their statements published Monday [20 September] denounced the South Korean puppets for the recent espionage they committed by infiltrating a spy ship deep into the western territorial waters of the North side.

The GFTUK spokesman said the South Korean authorities flung down the gauntlet by infiltrating a spy ship when they, driven to a tight corner, unable to refuse any longer the North side's proposal for an exchange of special envoys, had to respond to a working-level contact. This is an anti-national criminal act of not wanting dialogue or reunification of the country, he stressed.

The UAWPK spokesman said the South Korean authorities who had begged the U.S. Government to make the North-South dialogue as a precondition for the third-stage DPRK-USA talks infiltrated a spy ship to frustrate a working-level contact for an exchange of special envoys between the North and the South when it was put on the order of the day.

The spokesmen strongly demanded that the South Korean authorities frankly apologize for their military provocation against the North and manifest their clear attitude toward the principled demand of the North side.

### **CPRF White Paper Criticizes South's 'SPB'**

*SK2109071893 Pyongyang KCNA in English 0426 GMT 21 Sep 93*

[“CPRF on Criminal Acts of ‘SPB’”—KCNA headline]

[Text] Pyongyang, September 21 (KCNA)—If the South Korean authorities really want dialogue and have any intention to realise national reconciliation and unity and solve the reunification question through dialogue, they must exclude the “Security Planning Board” (SPB), the general headquarters of crimes, from the dialogue and the work for reunification and dismantle it as unanimously demanded by the South Korean people, says the

Committee for the Peaceful Reunification of the Fatherland [CPRF] in a white paper Monday accusing the “SPB” of its anti-dialogue, anti-reunification criminal acts in blocking progress of the North-South relations.

The white paper says the “SPB” of South Korea is the general headquarters of plot-breeding and suppression.

It says:

Whenever a serious political crisis was created in South Korea, the “SPB” would fabricate shocking incidents against the North and use them to incite the confrontation between the North and the South and launch into heinous fascist crackdown upon pro-reunification patriotic forces of South Korea.

The “SPB”, an intelligence organ, has illegally seized even the investigation power.

In Article 2 of the “Law on SPB” it defines “investigation into acts benefiting the enemy and crimes stipulated in the National Security law” as its function and has engaged itself in inventing “information” and trumping up cases through “investigation” on the pretext of “security,” invoking the fascist law that brands the fellow countrymen as the enemy.

The case of “peace dam” the truth of which has been dragged into the light of day recently was also a drama invented by the “SPB” entirely for “power security”.

Chang Se-tong, former “SPB” chief, confessed in this regard that the construction of the “peace dam” was a “countermeasure for the security of the ‘88 Olympic Games” and the “threat of flooding operation with 20,000 million ton water” was a fiction of his own making. (South Korean “Radio No. 1”, September 8, 1993).

The “SPB” is the mastermind of fascist crackdown on the reunification movement forces in South Korea.

It leaves no stone unturned, freely addressing itself to watch, shadowing, wiretapping, censorship of postal matters, etc., in an effort to suppress the reunification movement forces.

It has an organ called “Postal Service Institute” within the Ministry of Communications and lets 473 agents who underwent a special training on postal censorship inspect letters of those on the “blacklist”, more than 1,500 letters on a daily average, over 500,000-600,000 letters a year. (South Korean magazine “MAL”, No. 12, 1992).

The white paper exposes that the “SPB” is a chief obstacle to the North-South dialogue.

It says:

The “SPB” is the very one that has blocked progress of the North-South dialogue historically, taking all work related to the reunification and the North in its hands.



It frustrated the North-South Co-ordination Committee by inventing the "Kim Tae-chung kidnapping case" already in August, 1973 when the North-South dialogue started and was on the point of entering a full-dress stage.

At the time of the 9th session of the North-South Red Cross talks in August, 1985, an agent of the "SPB" in the guise of an advisory member of the delegation of the South Korean Red Cross took away from the stadium members of the South side's delegation who were seeing a mass gymnastic display performed by school youth and children in Pyongyang, thus neutralizing the talks which were proceeding in a favourable atmosphere.

Acts of the "SPB" to delay and frustrate talks became all the more heinous when North-South high-level talks began.

At the time of the 8th North-South high-level talks held in Pyongyang in September, 1992, "SPB" agents blocked the way of North side's delegates who went to meet the South side's delegates at their lodging to reach a formal agreement on the question of setting up a meeting place at Panmunjom, a question raised by the South side's "prime minister".

When a contact was made between delegates of both sides at Panmunjom over the problem later, the "special assistant to the SPB chief" "ignored orders from chongwadae" to agree on the establishment of a meeting place and punctured the contact between delegates. (South Korean magazine "MAL", No. 12, 1992).

In March, 1992, when a businessman of South Korea returned from a visit to Pyongyang, the "SPB" "hurriedly called together some twenty officials concerned with economic cooperation with the North and issued the instruction that 'a visit to the North would never be allowed and not only direct but indirect trade should be brought under restraint'", thereby blocking the exchange of businessmen. (South Korean magazine "MAL", No. 9, 1992).

When a debate on the North side's proposal for an exchange of special envoys took place at a "meeting of ministers concerned with reunification" on the 22d of June, the "SPB" objected to every notion with the argument that "the North side's intentions must be analyzed thoroughly and blockaded beforehand", saying "why should we be dragged out to accept the North side's proposal?", and after all, the exchange of special envoys could not be realised at that time. (South Korean magazine "SINDONG-A", No. 8, 1993).

Branding the "SPB" as the bulwark of division, the white paper says:

In March the South Korean chief executive said the functions and structure of the "SPB" would be reduced drastically, but it has been rather readjusted and reinforced.

According to the "government organisation law" of South Korea, the "unification board" is empowered to

"adjust the policy toward the North in general". But the "SPB" recently expanded and strengthened its North-related divisions and is holding sway over the work of North-South dialogue.

Although the sides have already agreed in the North-South agreement that the relations between the North and the South are not relations between countries, "SPB" agents stubbornly insisted on "stipulating" the North-South relations as "relations between member nations of UN" which separately entered the United Nations.

The "SPB" is persistently talking about "impossibility of reunification".

In the "Stand of the Government on the Reunification Policy" published in June, 1992, it said "reunification is impossible without overcoming the question of ideology" because "the division is ideological antagonism" and "it is hard to realise the reunification at an early date".

With regard to the question of reunification through confederation, the "SPB" said the formula of confederation is to "make competition while leaving the socialist idea of the North and the 'liberal democratic system' of the South as they are," and this would "result in allowing the forces supporting the North in the South". Terming it a "grave trap", they said it is "possible in theory, but impossible in reality."

Saying as long as the "SPB" holds sway over the work of North-South dialogue, any progress of dialogue is out of the question, the white paper stresses: We will not deal with the "SPB" agents in any case in the future, not meet them as a dialogue partner.

### **Daily Discusses South's Military Reform**

*SK1809113293 Pyongyang KCNA in English 1018 GMT 18 Sep 93*

[*"Military Reform" Aimed at Arms Buildup Bound to Face Criticism*—KCNA headline]

[Text] Pyongyang, September 18 (KCNA)—South Korean "defence minister" hinted "five goals of the reform" of the puppet army, blaring that it would be "pushed ahead dynamically with the will for the second Army building."

This is a topic of a by-lined article of NODONG SINMUN today, which reads in part:

The main objective of the new military restructuring is to increase the puppet armed forces, especially the Naval and Air Forces, replace the present military structure based on numerical strength with one based on tactics and equipment and "improve the efficiency and manoeuvrability" of the puppet army.



The South Korean authorities say that the experience of the Persian Gulf war and the trend of modern warfare are taken into consideration in the projected military restructuring.

They are also carrying on "consciousness reform in the Army," advertising "soldiers trusted by the people." This is aimed at thoroughly arming the puppet army with the anti-communist confrontation spirit. The "military reform" is a product of a very dangerous war design against the North.

The "military reform" is an unjustifiable anti-national campaign, which reveals the true color of the present rulers as "civilian"- veiled warmaniacs. The "military reform" deserves criticism also in that it will levy a heavy burden of taxes on the people.

By the "consciousness reform in the Army," the South Korean authorities mean to further train the puppet army as colonial mercenaries and bullet shield of outside forces and the last repressive tool of the dictatorial regime. This anti-national crime deserves criticism from the entire nation and human conscience.

One of the main objectives of the South Korean rulers' frequent talk about "military reform" these days is to raise the morale of the puppet army which has fallen on the ground.

To build up "strength" through "military reform" and head for a war is as good as jumping from the frying pan into the fire.

#### **Daily on 'Irregularities' of South Politicians**

SK1909114993 Pyongyang KCNA in English 1031  
GMT 19 Sep 93

[**"Dirty Clan in Irregularities"**—KCNA headline]

[Text] Pyongyang, September 19 (KCNA)—NODONG SINMUN today runs a commentary denouncing the power-backed irregularities and dishonest dealings of the South Korean politicians including the "National Assemblymen" from the "Democratic Liberal Party".

The analyst says:

It has become clear once again in opening the registration of properties that the South Korean politicians are dirty ones who are amassing fortunes by using power.

The South Korean people live a life worse than death, heavily saddled with the taxes called the death tax exceeding the blood and bone taxes as victims to unlimited wealth accumulation of the ruling circles.

The present South Korean authorities, instead of calling to account and punishing the public officials involved in irregularities, commended their resignation as "excellent deed" and "bold decision". Worse still, they called them to "Chongwadae [presidential offices]" and arranged a party to console them.

If the South Korean "regime" carry on "clean-up of irregularities" for the sake of eyewash, it would certainly invite curse and denunciation of the people.

#### **Daily on South's 'Defending' of Former Presidents**

SK2009113993 Pyongyang KCNA in English 1006  
GMT 20 Sep 93

[**"Why do They Protect Ringleaders of Dictatorship?"**—KCNA headline]

[Text] Pyongyang, September 20 (KCNA)—NODONG SINMUN in a by-lined article today hits out at the present South Korean ruling force under the "civilian" mask for actively defending Chon Tu-hwan and No Tae-u, dictators of the "Fifth and Sixth Republics".

The article says:

South Korean people of broad segments now strongly demand that Chon Tu-hwan and No Tae-u be brought to justice to probe the truth of their crimes and they be punished severely and opposition parties are urging that the criminals be put to "parliamentary investigation", poised for sharp confrontation with the "Democratic Liberal Party" and the ruling force.

For all its talk about "investigation without sanctuary" and "liquidation without sanctuary", however, the present ruling force is unwilling to lay its hands on the chief culprits, merely making a show of "punishment" by taking disciplinary measures against some henchmen.

From the very beginning the present ruling force did not hesitate to crack down on the people in a bid to "protect" the criminals, prattling that the former dictators should be "left to history". They, advertising "new politics", "civilian politics" and "reforms", are stepping back in the matter of the "liquidation of the past", for theirs is a "regime" that came into being from the roots of the "Sixth Republic".

The present "regime", tarred with the same brush with the "Sixth Republic", regards "liquidation of the past" as a liquidation of Chon Tu-hwan and No Tae-u, the ringleaders of the former dictatorship, and that it immediately means breaking the foundation of its "power". Hence, it is unwilling to tackle this problem.

Some people say the present South Korean ruler is evading "liquidation of the past", fearing that he might face a "political reprisal" in any form after he steps down from power. The present ruling force's voluble talk about "decorous treatment" toward former "presidents" is aimed at making a precedent of such "protection" so that he might live under such "protection" after his retirement.

If the present rulers continue to defend the criminals of the "Fifth and Sixth Republics", they would meet with the same miserable lot of destruction with them.



**Kim Il-song Inspects Farm in South Pyongan***SK2109065793 Pyongyang KCNA in English 0405 GMT 21 Sep 93*

[Text] Pyongyang, September 21 (KCNA)—The great leader President Kim Il-song gave on-the-spot guidance to the June 3 cooperative farm and the state-run March 3 farm in Onchon County, South Pyongan Province, on September 18.

He was accompanied by Premier Kang Song-san, Chief Secretary of the South Pyongan Provincial Committee of the Workers' Party of Korea [WPK] So Yun-sok, Vice-Premier Hong Song-nam, Secretary of the C.C. [Central Committee], WPK So Kwan-hui, Chairman of the State Agricultural Commission Kim Won-chin and officials concerned.

Seeing paddy fields of the farms situated in the tideland-turned plain on the west coast and farmers joyously harvesting rice with the help of machines, President Kim Il-song expressed great satisfaction with the fact that the agricultural working people have brought about an epochal change in farming on tideland-turned fields by doing farm work assiduously.

He said it is a very good thing that the June 3 cooperative farm has mechanized all farm work and successfully done farming by its own efforts. This furnishes a clear proof of the vitality of the "theses on the socialist rural question in our country", he said.

Noting that the rural communities of Korea have successfully carried out the tasks of mechanization or are promoting it at the final stage with the active guidance and help of the state, he said that the production of various farm machines should be stepped up still further and the work of enhancing their utility in every way be organized meticulously in order to fulfil the tasks of mechanization set out in the rural theses in a short period.

When comprehensive mechanization is completed in the countryside of Korea where irrigation and electrification have already been realised on the highest level, our agriculture will make a leaping progress on to a new, higher stage and the advantages of the socialist rural economic system will be given fuller play, he said, adding that all domains should support this work dynamically with confidence in victory and optimism.

He expressed deep satisfaction with the state-run March 3 farm which has bred high-yielding seeds suited to its soil conditions and sharply raised grain output in hearty response to our party's policy of green revolution. He highly estimated and thanked Kim Chong-hwa, a researcher of the Academy of Agricultural Sciences, for greatly contributing to the increase of grain output through his research into and cultivation of new species with unfailing loyalty to the party and the revolution, the country and the people.

He indicated concrete tasks and ways of farming in the tideland-turned fields, saying that the farm's experience

in farming this year clearly shows once again a high yield can be obtained even in these fields when farming is put on a scientific and technological basis as required by the *chuche* method of farming.

**South Korea****Hospital: Deng's Daughter Needs More Treatment***SK2109074593 Seoul YONHAP in English 0725 GMT 21 Sep 93*

[Text] Taejon, Sept. 21 (YONHAP)—Deng Lin, daughter of Chinese leader Deng Xiaoping, requires two or three days more hospital treatment for acute tonsillitis, a hospital spokesman said on Tuesday.

Deng had a temperature of around 38 degrees [Celsius], requiring her to spend two or three days more in hospital, he said.

Deng was rushed to the hospital by ambulance on Monday morning after she fainted while touring the Taejon Expo.

**Destroyers Depart for First Russian Port Call***SK2009024293 Seoul YONHAP in English 0106 GMT 20 Sep 93*

[Text] Chinhae, Sept. 20 (YONHAP)—Two Korean-built, ultra-modern destroyers left the Chinhae Naval Base at 10 AM Monday to make the first-ever Russian port call by a South Korean warship at Vladivostok.

Led by Rear Adm. Yi Su-nam, commander of the first fleet, 403 sailors and officers aboard the 1,500-ton destroyers will cruise north in the East Sea and arrive in Vladivostok at 10 AM on Wednesday.

The South Korean Navy men will stay in Vladivostok for four days, during which they will open their ships to Russian visitors while they tour Russian military facilities. They will also hold friendly sports games, lay wreaths at the tomb of unknown soldiers and engage in other activities aimed at boosting military ties between the two countries.

The Korean visitors will also tour the site for the U.S.-Soviet strategic arms conference and a war museum.

The South Korean warships are scheduled to leave Vladivostok on Saturday and arrive back home at 10 AM on Sept. 27.

**Seoul To Buy Russian Helicopters for Civil Use***SK2009113893 Seoul YONHAP in English 0756 GMT 20 Sep 93*

[Text] Seoul, Sept. 20 (YONHAP)—South Korea is to buy two helicopters from Russia for 4.55 million U.S. dollars to fight forest fires, the Forestry Administration announced on Monday.



The 19-seat Russian fire-fighting helicopters, which beat out an American tender, will arrive in December.

Larger than the 16 helicopters that the administration currently has, they can cruise at 225 kilometers an hour and have a maximum range of 250 km.

They can carry 3,800 liters of water, more than five times the other helicopters, and are expected to be a great help in fighting forest fires.

New fire-fighting aircraft will be purchased annually for the next several years to supplement the current fleet.

#### **Information Minister Receives Iranian Newsmen**

*LD2009103593 Tehran IRNA in English 0952 GMT  
20 Sep 93*

[Text] Seoul, Sept. 20, IRNA—South Korean Minister of Culture and Information O In-hwan and the visiting deputy managing director of the Islamic Republic News Agency (IRNA) Mohammad-Hassan Jaafari here Monday underlined establishment of a balanced communication-information order.

The two officials also underscored the need to confront the prevailing news monopoly in the world.

Jaafari is here at the head of an IRNA delegation to the 14th Executive Board and 9th Technical Experts Group meeting of the Organization of the Asia-Pacific News Agencies (OANA), opened yesterday.

He said that Western media, by establishing an unchallenged monopoly in the field of information and communication in the world, have sacrificed the developing countries for a one-way unbalanced flow of information.

Under the present crucial juncture, said the IRNA official, it is incumbent upon developing countries to take greater strides towards the establishment of a balanced flow of information throughout the world.

He underlined the importance of the role both Iran and South Korea played in this connection as members of major news agencies like OANA and the Non-Aligned News Agencies Pool (NANAP).

Jaafari noted that one of the main tasks of the developing countries, those in the Asian continent in particular, was to depict a correct picture of the developments in their countries and regions through providing more information.

Meanwhile, the Korean minister said his country attached special importance to expansion of relations with Iran adding that expanded ties in the field of information will greatly help development of relations in other domains.

Promotion of cooperation and exchange of experience between the Third World news agencies will play a fundamental role in countering the one-way flow of information the world over, the Korean minister noted.

#### **Government To Send Group to Tumen River Forum**

*SK1409103493 Seoul CHOSON ILBO in Korean  
13 Sep 93 p 2*

[Article by reporter Pak Tu-sik]

[Text] The government is planning to dispatch a delegation to the second round working-level conference of legislative, financial, and institutional domains of the Tumen River Area Development Project to be held in Beijing from 20 to 24 September. The delegation will be headed by Yi Tae-sik, councillor in the International Economy Bureau of the Foreign Ministry.

The United Nations Development Program will host this conference. North and South Korea, China, Russia, and Mongolia will attend the meeting and will review the contents of the draft of the international agreement for the development of the Tumen River area. This draft was prepared last May. They will also discuss the statutes of incorporations which will participate in the development of the Tumen River area.

#### **Ministry To Build Business Center in Beijing**

*SK1409012993 Seoul YONHAP in English 0044 GMT  
14 Sep 93*

[Text] Seoul, Sept. 14 (YONHAP)—A business complex will be set up in Beijing by the South Korean Construction Ministry to promote advancement, investment and exchanges by Korean firms in China because of the growing trade partnership between the two countries since they normalized ties more than a year ago, a ministry spokesman said Monday [13 September].

The ministry, with the help of the Korean business groups Hyundai, Samsung, Daewoo, Kumho and Dainong, is building the 30,000-pyeong (99,000-square-meter) Korea Business Center in the Chinese capital at a cost of 300 million won (371,747 U.S. dollars).

To house offices, apartments, a shopping mall, a department store, a school and a hotel, the center project was pursued by construction minister So Yong-taek at the recommendation of Korean businessmen during a visit to China in January 1992.

It was decided that it should be carried out by the business community and the Korea chamber of commerce and industry in a policy meeting the following month, and they are now close to starting construction, the spokesman said.

Part of the center will be used to house the offices of Korean companies and part will be living quarters for Korean businessmen. The rest will be let.



### **Firm Signs Contract To Import Indonesian Gas**

*SK1709140493 Seoul YONHAP in English 1106 GMT 17 Sep 93*

[Text] Seoul, Sept. 17 (YONHAP)—Korea Gas Corp. (KGC) will import 1,456,000 tons of gas from Indonesia for use this year and next year, the state-run company said on Friday.

Under a contract signed with Indonesia's state-run petroleum and gas company on Thursday, KGC will purchase an additional 224,000 tons for use this year and 1,232,000 tons for use next year.

The additional import will be plus the 4.2-million-ton import plan for this year to prepare for increased gas demand in the coming winter, the company said.

### **IAEA Urges North To Accept Ad Hoc Inspection**

*SK2009230993 Seoul KBS-1 Radio Network in Korean 2210 GMT 20 Sep 93*

[By reporter Cha Man-sun from Vienna, Austria]

[Text] The International Atomic Energy Agency [IAEA] will submit a report to its four-day regular meeting of the Board of Governors beginning today [21 December]. This report includes plans to strengthen ad hoc inspection of North Korea.

The IAEA said in the report: Because of North Korea's refusal to furnish additional information and because it did not allow the inspection team access to the undeclared facilities, the IAEA could not confirm accuracy of the initial report, and the differences between North Korea's initial report and the inspection results have been not obliterated.

The IAEA stressed that a routine and steady inspection needs to define these differences, and that it recently urged North Korea to accept ad hoc inspection.

### **Daily Cites North's Warning to U.S. on NPT**

*SK2109031293 Seoul YONHAP in English 0243 GMT 21 Sep 93*

[Text] Tokyo, Sept. 21 (YONHAP)—North Korea has warned that it may retract its decision to stay in the Nuclear Non-Proliferation Treaty [NPT] if its talks with the United States break down and if the International Atomic Energy Agency [IAEA] takes its nuclear issue to the U.N. Security Council, Japan's MAINICHI SHIMBUN newspaper said in a Washington-dated report Tuesday.

It delivered the warning in a letter to Assistant U.S. Secretary of State for Political and Military Affairs Robert Gallucci, U.S. negotiator in nuclear talks with North Korea, from Vice Foreign Minister Kang Sok-chu, the North Korean negotiator, the MAINICHI said.

The letter was passed over at a working-level contact in New York on Sept. 16, the paper quoted an unidentified senior U.S. official as saying.

Kang told Gallucci in the letter that Pyongyang thought it was wrong for Washington to attach such conditions as resumption of inter-Korean dialogue and North Korea-IAEA talks to a third round North Korea-U.S. talks.

The MAINICHI said Washington was trying to read between the lines of the letter to determine whether the latest North Korean move was aimed at stepping up pressure prior to the convening of an IAEA Board of Governors meeting on Tuesday in Vienna, or if it signals a change in North Korea's policy.

### **Source: North Meeting Western Banks for Loan**

*SK2009130293 Seoul KBS-1 Television Network in Korean 1235 GMT 20 Sep 93*

[Text] A well informed source in Beijing has revealed that recently a North Korean delegation led by (Kim Chong-ho), deputy chairman of the External Economic Committee, conducted secret negotiations with Western banks in Hong Kong on obtaining a loan.

### **PRC Professor on North's Intellectuals' Views**

*SK1709134893 Seoul CHOSON ILBO in Korean 15 Sep 93 p 23*

[Report on interview with Professor Gao Jinshu of China's Yanbian College, by An Hui-chang in Yanji; date not given; first paragraph is editor's note]

[Text] The North Korean intellectuals regret but accept as inevitable the deterioration of the North Korean economy as a result of the heavy defense spending. At the same time, the North Korean intellectuals are taking considerable interest in the Chinese-style policy of openness. Professor Gao Jingshu of China's Yanbian College (the Political and Economic Department of the Korean Affairs Institute), who visited North Korea for three months in mid-February at the invitation of the North Korean Chuche Academy of Science, said this as he recently met the reporter at a hotel in Yanji.

[Gao Jinshu] It is undeniable that the North Korean economic situation is becoming increasingly difficult. However, it may not be so serious as to lead to "a certain development" at any time. The North Koreans are stressing that North Korea has a production base of its fashion thanks to the self-reliant economy they have pursued for a long time.

A fellow of the Chuche Academy of Science stated: South Korea will suffer from a serious shock if its business relations with foreign countries are cut off, but we are different.

The North Koreans were all resolute on the pressure from outside, such as the economic sanctions connected with the nuclear issue.

The North Koreans said that they are already in a state of economic sanctions applied to them as a result of the reform and openness policy of the Soviet Union [as



published] and China. Nongovernmental business companies not only from the Soviet Union but also from China are engaged in trade with North Korea. Because these business companies would not suffer losses, North Korea is in greater difficulty. Nevertheless, the North Korean intellectuals pretended that they are not worried. A fellow stated: If we cannot afford a car, we can ride a mule or walk.

The North Korean intellectuals think that their economy will improve if the political and military confrontation ends. Most of the scholars I met said, "We have to lead an austere life to secure the national defense capability. If we could reduce even one MiG-29 from the number of the MiG-29's we purchase, it would considerably help us ease the food problem." Their view remained the same that they must cope militarily with the threat to their system from South Korea and the United States.

I have heard an episode that when a senior official of the General Association of Korean Residents in Japan [Chongnyon], visiting North Korea, expressed doubt about the way the funds Chongnyon donated to North Korea were being used, the North Korean authorities showed him around the munitions plants of various types in Chagang Province.

When I asked those in the Chuche Academy of Science, "with the introduction of openness, China has improved its economy, solving the food problem. Why don't you also do likewise?" they said, "we are fully aware of that." However, they were doubtful whether the Chinese example could be applied to North Korea. I had an impression that North Korea is most interested in improving relations with the United States, but intends to maintain the present degree of relations with South Korea.

#### **Kim Yong-sam Receives Hyundai Chairman**

*SK2009024493 Seoul YONHAP in English 0100 GMT 20 Sep 93*

[Text] Seoul, Sept. 20 (YONHAP)—President Kim Yong-sam met with Chong Se-yong, chairman of the Hyundai Business Group, over breakfast on Monday and asked for his group to actively cooperate so that real-name financial transactions take root as soon as possible.

Chong was also asked to step up Hyundai's business activities to support government efforts to revitalize the economy.

Their tete-a-tete, the first since Kim's inauguration as president in February, could herald an easing of the tension between the ruling camp and the country's largest conglomerate that arose when group founder Chong Chu-yong ran against Kim in the presidential election.

Kim said that the massive labor unrest in Hyundai's Ulsan affiliates in the spring "was very inopportune in the perspective of sharing the pain (of economic revitalization) and it had a big impact on all industrial firms."

Saying that economic revitalization hinges "80 percent" on industrial peace, he stressed that there should be no recurrence of industrial disputes next year.

The real-name financial transaction system has brought an era of labor-management relations in which richness is to be respected and hard-working people rewarded, Kim said.

Hyundai Chairman Chong responded that he would see to it that there were no disputes at his group's affiliates in 1994 and observed that, despite the labor disputes in Ulsan, Hyundai was expecting to meet its export targets for both automobiles and ships.

"Exports of Hyundai cars and ships will grow from last year's 2 billion U.S. dollars and 2.2 billion dollars to 2.4 billion dollars and 2.6 billion dollars this year, respectively," Chong told Kim, adding that his group could double its exports even at current technological standards if its affiliates were fully armed with new awareness and a will to work.

#### **Kim Yong-sam Speech at National Assembly**

*SK2109024893 Seoul KBS-1 Television Network in Korean 0102 GMT 21 Sep 93*

[Policy speech by President Kim Yong-sam at the 165th plenary session of the National Assembly entitled, "Reform, Change, and Advance," at the National Assembly in Seoul—live]

[Text] Respected House Speaker and Esteemed Lawmakers:

As a nine-term lawmaker, I made my last speech on 13 October 1992 and left this National Assembly building, which reflects the history of my political career.

As a president who has faith in parliamentary democracy, I came here to discuss with you the state of affairs. I would like to say that as president, I made my utmost and sincerest efforts to fulfill this role. Each day was a day of agony. Whenever I made important decisions, I did so with a feeling of extreme solitude filled with heavy responsibility.

I came this far only because of the single desire to revive the country. I dissolved all kinds of authoritative regulations and restrictions. I reduced the structure of the Agency for National Security Planning and the Defense Security Command, and I stopped political surveillance.

In conformity with civilian rule, I enforced military reform. Now, the military is returning to its original position. It is being reborn as a military and is regaining the faith of the people.

I am working to concentrate on politics and culture, which is in conformity with civilian rule. As president, I was the first to make public my assets to the people. This led to the revision of the ethics law of public officials, thus institutionalizing the practice of making public the assets of public officials. In accordance with the law,



assets of public officials were made public for the first time. Now, public officials will appear before the people with a new openness. The work to reveal the assets of public officials established a new milestone in our history.

I declared that I will never receive political funds from anyone. I have been putting this declaration into practice. This will continue in the future, too. I believe that a leader's genuine authority and strong leadership come from the initiative he takes, the example he sets to others, and his sense of morality.

I firmly believe that a leader's sense of morality is precisely the foundation for a health society and a health state. I have correctly established national spirit and built up the legitimacy of constitutional history.

We moved the remains of five leading members of the Provisional Government of the Republic of Korea from Shanghai and interred them in the National Cemetery. We have decided to demolish the buildings which housed the office and house of the governor-general during Japanese colonial rule. We have decided to build a new national museum building which will preserve and exhibit the best of our 5,000-year-old national culture.

The new government has made it clear that it has received the mantle of the Shanghai Provisional Government of Korea and that it is an offshoot of the 19 April 1960, 18 May 1980, and 10 June 1987 struggles for democracy. Thus, the new government has been recovering the dignity and pride of our nation as a civilized nation. Regaining a sense of patriotism, we are transforming [sunghwa] it into enthusiasm for building a new Korea. As our patriotic ancestors' blood brought us the glory of national liberation [in 1945], so should we achieve through blood, tears, and sweat, a second liberation and a second national founding.

The government is rooting out the legacies of corruption and irregularities which have continued for over 30 years. We have no choice but to continue to discipline ourselves into shape until we completely eradicate from our daily lives and consciousness the mistaken belief that power may be abused to amass wealth and that you need not stop at anything to amass wealth. This is the pain that we cannot avoid in order to advance together with a fresh mind.

On 12 August I issued an emergency presidential order to enforce a real-name financial transaction system. The real-name financial transaction system is a system which is absolutely necessary for the elimination of the chronic corruption and irregularities of our society and our advance toward a clean society that is pure and mighty. Without the real-name financial transaction system, we cannot bring into full bloom healthy democracy and capitalism which exudes with vitality on this land. Without real-name financial transactions, it is impossible to develop a free market economy. This system is the key to overall reform. It is also the core of reform. It is the reform of reforms.

Only under a real-name financial transaction system can the wealth of honest businesses and honest workers be justified. The clean wealth or assets that they accumulated through sweat will become the target of people's respect and envy. The financial reform will end the tendency among the newly rich to live the high life without working, a trend that has demoralized honest workers. We will be able to create an honest society in which everyone will receive rewards commensurate with his hard and faithful work.

The real-name financial transaction system is closely related to the nation's destiny. We should not fail in making the system a success if this country is to join the ranks of developed countries. I am firmly convinced that the real-name financial transaction system will achieve success in the future.

I would like to extend my thanks to you, National Assemblymen, for your approval of the emergency presidential order.

I hope that National Assembly members will cooperate to establish the real-name financial system. I also ask our fellow countrymen to cooperate positively for the sake of the real-name financial system, even though there are some inconveniences.

It is high time we think first about our national consciousness and the national interest.

I know there are some with misgivings and apprehension about the real-name system. The true purpose of the real-name financial transaction system lies in establishing the culture of the real-name financial transaction. The real-name financial transaction system will be operated in a far-sighted way. The confidentiality of real-name financial assets will be guaranteed without fail.

National Assembly Members:

The change and reform that have been promoted so far under the president's responsibility are based on the national consensus that the president should responsibly promote change and reform. This is the decision I have made fairly before history and the nation. This is also the decision I have made without a bit of shame in my mind. Change and reform are the best course I can choose.

I want the National Assembly as a constitutional organization to discharge its historic mission for reform. It is high time that the National Assembly should renovate our politics through a series of reform laws.

Political reform should start with clean elections. We should carry out election reform. If we do this, there will be no unfair or corrupt elections in this land.

The political parties should sever the dark links between politics and business. The political parties should have the strength to promote development. Political funding should be open to public scrutiny. When we implement this political reform, political circles, including the National Assembly, will enjoy the love and respect of the people.



It follows that in order to implement political reform, political leaders must undergo some sacrifices. Along with our fellow countrymen, I am confident that National Assembly members can establish genuine democracy in this land through bold political reform and an election system that is free of corruption and irregularities.

I believe politics should be changed. Now, the era of the civilian-controlled regime has begun. We should give up the politics of confrontation, which wastes the national strength. Political parties should compete on a basis of creativity and fairness. We should conduct politics with the purpose of increasing our national vitality and superiority to the maximum. We should take the proper stance against collective selfishness by boldly refuting anything that is unreasonable.

Politics should give hope to the people. We should liquidate the past and not be hampered by it. We should not halt the developing national spirit toward the world and future because of past conflicts and antagonism. We should seek reconciliation about the past and advance toward the future.

The National Assembly should be changed. The National Assembly should be a place to set up a strategy for national development and to hold creative discussions. We should engage in lofty politics toward the world and future.

I served as a politician during the past 30 years of darkness and pain. Now, I propose that we transcend the ruling and opposition parties to conduct politics that share the concern of the realities of our community and create a great advanced country of the 21st century. Let us work together to carry out worthy and fine politics.

Dear fellow citizens and lawmakers:

We are truly faced with many tasks. Domestically, we must build a just community of reconciliation through the humanization and democratization of our society. Externally, we must expand our sphere to the world and future.

We must achieve reform as we move forward and advance as we achieve reform. This is the reason why we are concentrating on the work to succeed in the Taejon Exposition. The future construction of the high-speed rail system will be a starting point for Korea's advance onto the world's center stage which will stretch across the Eurasian Continent. The construction of a new airport on Yongjong Island is a great, historic, national project that will project Korea to the center of the Asia-Pacific era.

With the end of the Cold War, the world has now entered the era of war in economy, technology, and information. We must win in this competition. We must stand tall at the center of the world civilization. Our past experiences and what we are going through today are an indication of

the difficult tasks we must overcome. Our nation is qualified, however, and has the capacity to play a leading role in the new civilization.

We have ethical strength that contributed to the nation's liberation and the country's democracy. We also have economic potential that created miracles on the Han River by rising from the ruins of the war. Therefore, we must create a new Korea by uniting these two kinds of strength into one. The new Korea is a fatherland that shares the ideal of an advanced state and the ideal of a moral state. It is also a society in which the framework of a rich nation and a new civilization are united.

We will surely be able to enter into the ranks of advanced countries through a new economy of self-regulation and creativity. With national spirit and a high sense of civilization, we can establish a moral state on this land. By creatively combining the traditional culture and modern civilization, we can build a model of a new civilization on this land. Korea will surely be a center of the new world civilization.

Dear fellow citizens and lawmakers:

Change and reform began to take place with the inauguration of the civilian government. Therefore, in the international community, Korea's status is being enhanced with each passing day. Top leaders of the world, including the President of the United States, are visiting Korea in succession. Several days ago, French President Mitterand visited Korea.

People throughout the world regard Korea's democracy and reform with envy. Now, we can stand tall among the ranks of countries with high ethical standards. We are proud of being born Korean.

At the request of the United Nations, Korea dispatched its peace-keeping forces to Somalia. It is playing an important role for world's peace.

Based on humanitarian love, we will continue to actively contribute to world peace and the well-being of mankind.

In connection with this kind of self-confidence, we are turning toward a new diplomacy, which is characterized by the pursuit of universal values, such as democracy, freedom, welfare, and human rights. Our diplomacy will be future-oriented and designed to make Korea play an important role in the world.

Even though the world is changing, the Korean peninsula is the only place where the Cold War persists. This is why we cannot by any means neglect the security issue. Peace is only possible when there is strength to maintain it.

The government has established a three-stage reunification plan which leads to a South-North confederation [yonhap] of one nation and one state through reconciliation and cooperation. We have formed three bases for the reunification policy: democratic procedure, coexistence and coprosperity, and national welfare.



If and when the nuclear threat by North Korea is eliminated, we will be able to resolve all problems between the North and the South. We have watched the fatal confrontational relations between Israel and the PLO turn into great peaceful relations.

As the same nation, why can't we reconcile by laying down our weapons? It is truly heartbreaking. I urge North Korea to wipe out nuclear suspicions, which will bring about mutual destruction, as soon as possible and to come to the arena of coexistence, coprosperity, and national welfare.

Dear Fellow Citizens and esteemed Lawmakers:

I am of the firm belief that one of the important tasks that a president must fulfill is to revive the economy. Through the new Five-Year Economic Plan, we must leap toward the ranks of advanced countries. To achieve this, the government will carry out reform in finance, banking, and administration, and will also work to strengthen our growth potential. The government will work to expand the basis of the international market. It will also actively guarantee honest businesses the right to carry out their activities freely.

I speak to all business groups. First, let us revive the economy through the consciousness of all being a part of the same community. We must realize that without workers there would be no businesses, and without businesses there would be no workers.

The whole world is moving toward the future. Therefore, we cannot just fight with each other. This would be in no one's interest. Group selfishness, which seeks to satisfy only the group's own interest, is truly one of the main Korean diseases. If we do not cure this Korean disease, we cannot by any means become an advanced country.

I appeal to the dear fellow citizens to refrain from group selfishness, which seeks to only satisfy the group's own interest, including in labor-management disputes.

My Fellow Countrymen:

Though our country has been affected relatively slightly, there has been much agricultural damage worldwide due to the cold weather. I extend my deepest sympathy to the farmers who are concerned about the damage caused by the cold weather. Because our farmers have done their best, they have minimized the damage caused by the cold weather. With such a spirit, we should strengthen our international agricultural competitiveness. We can construct a new Korea full of dreams and hope by sharing our suffering.

My fellow countrymen:

A new society requires new citizens. To get rid of our social maladies, we should reform our education. We should base our education on personality and community. We should promote the type of education whereby

the people can be victorious in international competition. To this end, we should promote education that fosters creativity, that is, education in science and technology.

In the future, the government will give impetus to education reform. I ask the youth of this land to clearly understand today's reality and to look to the world and the future. It is time you should return to school from the streets and study in the libraries. [applause]

Only when you study can you win victory in the international competition. Your future and our national future depend on you.

My Fellow Countrymen and National Assembly Members:

It follows that change and reform sometimes cause pain and inconvenience. I wholeheartedly thank our fellow countrymen for readily cooperating with the government's reform policy despite this pain and inconvenience.

Our change and reform should be promoted in order to stabilize and strengthen our system. They are a process by which to move toward the future. I expect all strata to make vigorous efforts to reform themselves by reforming their institutions and consciousness. I, along with all our fellow countrymen, really hope that all strata can go forward by laying a framework to reform themselves as soon as possible.

I just hope I can be remembered as a president who laid a foundation for an advanced and moral country. My only wish and dream is to hand over a proud country to posterity.

Until the last day of my term, I will make every effort to discharge the presidential tasks of faithfully defending the state as stipulated in the Constitution, achieving peaceful national reunification, promoting the freedom and well-being of our fellow countrymen, and creating a national culture.

I will devote all of my affection and endeavors to the nation. Let us all rebuild this country. Let us all yield our small interests for a greater interest. Let us all dream and hope. Let us all have the confidence to realize our dreams and hopes. What is important is our determination. Our nation can achieve anything, if it makes up its mind to do so. Let us look toward the distant future and the wider world.

We will greet the 21st century in six years. The next few years will decide the future of our nation. Let us pool our strength to go toward the world and the future. Let us create a new history.

Thank you. [applause]

#### **\* Discord in President's Economic Team**

932C0191A Seoul MAL Jul 93 pp 80-83

[Article by reporter Yi Pong-su]



[Text] Even the voices of different compasses can be composed into a good chorus if they form a chord. But not for Kim Young-sam's economic team.

The senior presidential secretary for economic affairs, going his own way, infringes on other ministers' authority and abruptly announces economic policies which have significant effects on people and enterprises, confusing economic policy-makers.

He was so arbitrary that President Kim Young-sam asked the economic ministers to unite in an economic conference at Kwachon Government Building on 4 June. "It is very regrettable that economic ministries plan and announce economic policies on their own judgment, giving rise to confusion." President Kim rebuked, "If they are not consistent in their policies, they will lose the confidence of the people."

In spite of the president's warnings, on the same afternoon, economic ministers severely argued about the policy specializing business types. Judging from this, the discord of the current economic team must have originated from a structural contradiction which cannot easily be eliminated.

Then why is the economic team constantly making discords? It is said that the causes are: disparity in the nature of the constituents, competitive consciousness, more or less will about economic reform, egoism, etc. As reorganization of the administrative structure is being carried out behind the scenes, at the right moment, the obsession of the bureaucrats wanting to secure policy means stirs up more of the discord. The time when the new government changes many systems is also one of the causes.

The main strong ministers forming the economic team are Yi Kyong-sik, deputy prime minister and minister of the Economic Planning Board, Hong Chae-hyong, minister of finance, Kim Chol-su, minister of trade, industry, and resources, and Pak Chae-yun, senior presidential secretary for economic affairs.

But it is said that regardless of position, So Sang-mok, head of the First Policy Coordinating Office of the Democratic Liberal Party, and Han I-hon, chairman of the Fair Trade Commission, are also among these strong men. These two have played a decisive role in President Kim's economic policy with Senior Presidential Secretary Pak since the presidential election campaign. Although the two are now lower in position than the senior presidential secretary for economic affairs, they are expected to be put into more important positions during President Kim's term of office. The discord of the economic team may have originated from the rival consciousness of the three strong men.

In the case of So Sang-mok, head of the First Policy Coordinating Office, he received enough support from presidential candidate Kim to be a prospective finance minister after the new government was formed. But it is said that he was left out at the last moment because he had not cooperated with Kim in his nomination for the

presidential candidacy. The ostensible reason given was that such a capable man should remain in the Democratic Liberal Party. It is said that the president accepted the contention of the Reunification Democratic Party Faction, those close to the president, that So of the Democratic Justice Party Faction was an opportunist.

It is said that So, head of the Policy Coordinating Office, criticized the basis of the economic policy offered by the government at the conference of the party and the government recently.

"Under the influence of the new economic 100-day program, when business and investment become active, the rate of interest will go up. If this is done, it will be more difficult to enforce the liberalization of interest rate proposed by the government. The real-name financial transaction system should be enforced promptly even if it brings about some adverse effects."

There is some truth in what he says, but Senior Presidential Secretary Pak's earlier opposition to liberalization of interest rates may have been a result of his dislike for his rival.

On the third of the month, at the Democratic Liberal Party's Special Committee on Economic Measures, So opposed the policy specializing business types offered by the Ministry of Trade, Industry, and Resources. The reason for doing so, some say, was because Senior Secretary Pak supported the plan proposed by the Ministry of Trade, Industry, and Resources.

Pak, a proponent of Keynes school, takes a serious view of the government's role and urges to prevent excessive investments through industrial policies, while So, at a special committee, expressed his opinion that if the government intervenes when big business groups choose specific areas of business, it will impair the liberalization and originality of private enterprises.

Han I-hon, chairman of the Fair Trade Commission, personally taught the president economics when Han was the supreme representative of the Democratic Liberal Party and even accompanied the president on his campaign tours.

Dispatched to the Democratic Liberal Party from the Economic Planning Board, he devoted himself to President Kim prior to his becoming a presidential candidate. Such an action may be said to have been an "adventure," risking his life.

A prospective senior presidential economic secretary, he was appointed to the post of chairman of the Fair Trade Commission, which has traditionally been regarded as a leisurely post. President Kim may have placed him in this post because he considered Han's successful passing of the Seventh Higher Civil Service Exam as well as his bright future. But he seems to have lost in his "competition with Pak" for the President's confidence.

Upon taking office, he told the press in a bull session, that "he would eradicate the internal deals between



subsidiary companies of 30 large enterprises and unfair subcontracting tradition of manufacturing industries," declaring the restoration of the Fair Trade Commission's original status.

Even the toughness of Chairman Han, who was labeled one of the "two tough men" at the Economic Planning Board along with Mun Hui-kab, ex-senior presidential economic secretary, seemed to be declining since 6 April when he had a conference on fair competition with the heads of keynote offices of 30 large enterprises. Shortly afterwards, he made sure that the inquiry into unfair subcontracting activities was postponed to the second half of the year. Pointing out that businesses should be recovered first, Senior Secretary Pak persuaded the deputy prime minister to apply the brake.

On 29 April, the Fair Trade Commission announced a tough policy controlling the conglomerates through a conference on fair trading policy of the Korea Development Institute. Many say that the policy originated from "sense of province" of Chairman Han, who was displeased with all the economic policies being formed exactly as Senior Secretary Pak had planned.

Systems commanding monopolistic enterprises to partition businesses and to return invested capital, restriction of conglomerates to manage the press and financial world, and conversion of conglomerates' loans to stocks, etc., were known to be a private opinion of the researcher Yu Sung-min. But in actuality, it was an advertising balloon flown to merely gauge people's reaction.

Since this created a stir, Chairman Han said at breakfast meetings, "We think systems such as commanding monopolistic enterprises to partition businesses are unrealistic. Therefore, we are not considering the application of such systems."

But he made it clear that he would affirmatively examine Dr. Yu's contention that "the limit of mutual payment guarantees of 30 large enterprises which was to reduce by less than 200% of its own capital by 1996, should be reduced to less than 100%."

He also said that he would accept advice to "to reduce the total amount of investment by other companies from 40 percent to 25-30 percent of their current real assets."

In the fair competition part of the New Economic Five-Year Plan, which the Economic Planning Board created and Senior Secretary Pak approved, it was expressed that the limit of mutual payment guarantees should be examined in 1996 and the limit of the total amount of investment "should also be adjusted at a reduced rate," downplaying the original plans.

Kim Young-sam's Economic Team is often called "Pak Chae-yun's Economic Team" due to the significant influence of Senior Secretary Park on economic policies.

Unlike in the past when the economic teams were called "Cho Sun's Economic Team" or "Choi Gak-kyu's Economic Team," taking its name after the Economic Planning Deputy Prime Minister, the rank of the senior

economic secretary is now lowered to the vice-minister class. Nevertheless he plays the role of the team director. It is regrettable that the economic ministers such as Deputy Prime Minister Yi Kyung-sik, Minister of Finance Hong Chae-hyong, Minister of Trade, Industry, and Resources Kim Chol-su, etc., rarely vocalize their own opinions.

Although the economic ministers outwardly have some teamwork, there is great confusion as a result of their failure to carry out their duties according to their opinions.

The reasons are that they have long been absent from the bureaucratic society, they are "gentleman-like and not fighting-cock-like," and they were already far behind Senior Secretary Pak when taking offices as ministers. Moreover, not having been picked out through intimacy with the president and being far more distant from him than Pak, who is constantly nearby and meets directly with the president at anytime, they are not given the decisive power of main policies.

When taking office as a senior presidential secretary, not only did Pak bring with him about 500 pages of economic policy master-plan created under his leadership, but also as an ex-professor, gave lectures to the ministers in order to spread "the new economic theory."

For the senior economic secretary to lead the economic policies is necessary, especially in the early stages of a new government, since it would put into practice the public commitments made by the president. As bureaucrats have a tendency to dislike making sudden changes in the existing policies which they have created, it is necessary for someone to lead the reformation of policies.

But it is pointed out that there is an inconsistency in the current political structure where the senior presidential secretary dominates economic policies in defiance of even ministers.

The secretary's office in the Blue House is structured to act more in accordance with political logic rather than economic one. Although they are supposed to keep the public commitments made during election, they should not be bound by them too strictly. The obsession to recover the economy too quickly may result in seeking immediate gain, neglecting fundamental recovery policies of the economy.

Likewise, the schedule for real-name financial transaction system, which was discussed at the meeting of the economic ministers, was canceled and the measures lowering interest rates were taken, contrary to the liberalization of interest rates. In discussion of the two problems, the statement of Senior Secretary Pak, who had majored in Monetary Financial Theory, became the final words.

Even the minister of finance, as well as the working-level bureau directors of the Economic Planning Board and the Ministry of Finance, made it clear that he would



announce the schedule for the real-name financial transaction system by May. However, he canceled it after Senior Secretary Pak denied it.

The Finance Minister Hong Chae-hyong, who keenly experienced the negative effect originating from the control of the interest rates while in office as the president of a bank, would have carried out the liberalization of interest rates in the early stages, but also had to cancel it due to Pak's refusal.

It is the logic of Senior Secretary Pak that carrying out a reform while in economic stagnation does nothing but ruin the economy. But many people are opposed to this logic of "Business Recovery First, Economic Reform Later" and state the following: Now, when the economy is stagnant, is the best time to reform the economy with a small outlay. It is more urgent that the structure of our economy be improved through reform. Rise and fall of businesses should be left to follow the fate of world business. Any pump-priming policy to cope with the business slowdown will have little effect and will result only in protection of the marginal enterprises.

But nobody in the government service expresses such opinions now. The Central Bank Governor Cho Sun, an elder professor of the economics department at Seoul University, was qualified to put a check on Senior Secretary Pak but even he was dismissed before his term expired. Also the director of the Korea Development Institute Song Hui-nyon, who pointed out problems of the pump-priming policy, was suddenly dismissed.

The Blue House says that the economic team has a better teamwork than ever before in Senior Secretary Pak, Deputy Prime Minister Yi Kyung-sik, the Minister of Finance Hong Chae-hyong, and the Minister of Trade, Industry, & Resources Kim Chol-su, etc., who exchange opinions over dinner every Wednesday and Saturday.

"It is rather natural that there are some clashes of opinions in reaching a decision because opinions concerning economic policies may differ from one person to another due to the two faces of the policy and the best policy may come out of much discussion and the present teamwork is nothing but a mere appearance, due to the ministers' silence," stated a working-level bureau director.

The arbitrary decisions of the Senior Secretary Pak not only hinder productive discussions of policy but impair consistency of administration and cannot induce originality of the enormous bureaucratic organization. "When the minister or vice-minister, after receiving instructions from Senior Secretary Pak at the Blue House, gives instructions, bureau directors and section chiefs write them down and all we do is use the word-processors," an assistant junior official complained to himself.

These days, in the Government Building at Kwachon, economic ministers are sometimes cynically called "Junior Official Yi," "Junior Official Kim," or "Assistant Manager Hong."

When provisions relieving administrative regulations were chosen at a meeting presided over by the economic planning vice-minister, a section chief of the Labor Affairs Ministry was humiliated because he had pointed out that there would be much trouble if a certain provision was relieved. The rebuke was that anyone who had such an obsolete way of thinking could not serve in the new government.

If these bureaucrats spare themselves, the efficiency of the economic policy is certain to be reduced by half since they are the ones who carry out the policy.

"Many of the assistant junior officials and secretary classes, due to their strong propensity to reform, are displeased with the system reform being put off for the sake of first revitalizing business," said an assistant junior official.

Since Yi In-chae took office as minister of labor affairs, the ministry, establishing a principle of "no work, partial pay" and so on, tried to be a good ministry to the laborers but was frustrated by the political circles which opposed it. Since the financial circles likewise opposed it by stating that it would impair the relations between labor and capital which was stabilized after a long time, the Democratic Liberal Party and the Blue House took the lead in implementing the principle of "no work, no pay" again.

Policy specializing in business types was settled far below from the original plan due to the discord between ministries which were self-interested, just as government setups were reorganized.

Although everybody gave his approval to the policy specializing in business types, each had different opinions about taking the initiative. After 10 days of dispute, it was settled at a lower level than originally called for, to which the Ministry of Trade, Industry, and Resources backed away from its original plans.

Specifically, the Economic Planning Board centering around the Fair Trade Commission, saying that it would deal with financial cliques for itself, intensely opposed the participation by the Ministry of Trade, Industry, and Resources. What is worse, even inner bureaus of the board had different opinions from one another. During the process of discussing policy, the Policy Coordinating Bureau raised no objection to the original plan of the Ministry of Trade, Industry, and Resources, but later the Fair Trade Commission and the Planning Bureau objected on the ground it was never agreed to in the ministries' official capacity.

Their just cause is that because the specialization of business types could be induced by mutual investments and the restriction of payment guarantees, etc., of the Fair Trade Commission, it is not necessary to intentionally establish a new system which would impair the liberalization and the originality of enterprises.

At first the Ministry of Trade, Industry, and Resources had intended to control the excessive or overlapping



investments of main enterprises in a conservative manner, but decided to back away from its original intention and "to leave it to public opinion."

For instance, Samsung wants to extend its business to passenger car industry which is likely to be invested in excess or in overlap. However, the government, having no means for arbitration, is obliged to look at it.

There are also opposing opinions about which ministry should manage the information and communication industries producing machineries and systems, unlike the information and communication services. Even in Japan, after a struggle for power, the Ministry of Posts and Telecommunications took charge of the information and communication industries and became the best ministry yearned for by the elite.

The dispute as to whether enterprises manufacturing communication machineries and systems should be permitted to take part in communication services means in conclusion, a dispute about province between the Ministry of Trade, Industry, and Resources managing the manufacturers and the Ministry of Communications managing the services.

It should not be regarded as a discord between ministries that the ministries actively express their opinions to adopt a resolution of policies. But such bureaucrats' manners as sticking to irrational logic for the benefit of their own ministry or forgetting troublesome questions should not be repeated. And an opinion of a ministry should not be spread as if a resolution, because it would throw people and enterprises into confusion.

As a variety of problems to be reformed, including a policy restricting financial cliques, continue to be loosened, canceled, or postponed, the economic reform of the new government is already falling short of people's expectations. Some say that because the economic team's will to reform was weak even to begin with, the reform policies are incoherent. People hope that the discord turns into a chord promptly.

#### **DLP Urges Foreign Ministry on Senior Posts**

*SK2109062093 Seoul YONHAP in English 0142 GMT 21 Sep 93*

[Text] Seoul, Sept. 21 (YONHAP)—The Government and the ruling Democratic Liberal Party are pitted against each other over merging special grades one and two and drastically reducing the number of officials of grade one and above in the Foreign Ministry in discussions on amending the foreign service officials law.

The ruling party says that the law, last revised in 1982, has many problems in terms of equity as it opens the way for admission of people from other professions, particularly the military, and demands a merger of special grades one and two and a reduction in the number of special grade one and two posts in the table of organization.

Currently, there are 44 and 37 posts in special grades one and two, respectively.

The party also proposes that the number of officials of grade one and above, now 137, be halved. It particularly notes that there are a relatively larger number of senior officials with "problematic assets" in the Foreign Ministry.

Faced with tenacious opposition by the ministry and a stalemate in the discussions, the party has asked the ministry to prepare an amendment that spells out a reduction in the number of senior posts. It is to call a government-party meeting for Wednesday to put the final touches to the discussion.

The ministry has proposed an amendment that keeps the number of posts of grade one and above intact but lowers the age limits for special grades one and two by a year each and pegs their grade limits at 10 years.

#### **State To Close Four Overseas Missions**

*SK1709061193 Seoul YONHAP in English 0146 GMT 17 Sep 93*

[Text] Seoul, Sept. 17 (YONHAP)—South Korea is to close four overseas missions next year for practical reasons since the membership of both Koreas in the United Nations has reduced their diplomatic tug-of-war, a senior Foreign Ministry official said Friday.

The ministry will soon begin drawing up a comprehensive plan to reduce its overseas diplomatic presence, starting as early as next year.

It originally considered drawing up a medium- and long-term plan but decided to fix it initially only for fiscal 1994 in view of the diversity of variables to consider and for fear that a schedule of yearly closures might create unnecessary frictions with the host countries involved.

"Vice Foreign Minister Hong Sun-yong will draft the plan by next week at the earliest to present at a cabinet meeting," the official said.

Two embassies in southern central Africa, one embassy in South America, and a consulate in Japan will be selected for closure next year, he said.

Having closed missions in Barcelona, Surinam, and Mauritania this year, Korea now has 140 overseas diplomatic representatives—35 in Asia, 37 in America, 35 in Europe, 18 in the Middle East and 15 in Africa.

#### **Ambassador to Pakistan Resigns 'Voluntarily'**

*SK1809130293 Seoul YONHAP in English 1236 GMT 18 Sep 93*

[Text] Seoul, Sept. 18 (YONHAP)—South Korean Ambassador to Pakistan Kim Chong-hun resigned voluntarily, a senior official in the Foreign Ministry said on Saturday.



"Ambassador Kim expressed an intention to resign in a telephone with the Foreign Ministry and the ministry will accept his letter of resignation," the official said.

Kim was under suspicion that he had speculated in the real estate in the course of asset disclosure.

Meanwhile, 12 or 13 senior officials in the ministry, who are also suspected in connection with asset disclosure, are said under pressure to resign voluntarily, but if they do not, the ministry will take measures at a periodic reshuffle at the year-end, informed sources said.

#### **Police Chief To Resign for 'Personal Reasons'**

SK2009104093 Seoul YONHAP in English 0603 GMT  
20 Sep 93

[Text] Seoul, Sept. 20 (YONHAP)—The head of the National Police Agency, Kim Hyo-un, expressed to Home Affairs Minister Yi Hae-ku on Monday his intention to resign for personal reasons, informed sources said.

Kim, who has assets of 2.55 billion won (3.14 million U.S. dollars) according to his financial disclosure statement, joined the police force in 1963 and has served as presidential public security adviser and chief of the Seoul police agency.

He was named to his current post in March.

Kim's resignation will put pressure on other senior officers who are suspiciously rich, and three or four local police chiefs may resign, the sources said.

#### **Government Replaces Chief**

SK2109051793 Seoul THE KOREA TIMES in English  
21 Sep 93 p 3

[Text] The government yesterday replaced the National Police Agency (NPA) administrator, Kim Hyo-un, as he resigned to "make way for my juniors and the continuous promotion of reform in Police."

Kim Hwa-nam, 50, deputy NPA administrator, was named to head the national police.

President Kim Yong-sam gave a letter of appointment to the new police chief at Chongwadae later in the day.

The President called upon the new police chief to take the lead in the ongoing reform drive, particularly in the police force, his spokesman Yi Kyong-chae said.

The 57-year-old top police officer allegedly held himself responsible for his controversially large amount of personal assets, but he denied the allegation.

Kim's resignation is anticipated to bring about a sweeping reshuffle in the top hierarchy of national police organization similar to that of the prosecution last week.

Kim was named to head the national police in March shortly after President Kim Yong-sam took office on Feb. 25.

Kim's resignation came only a few days after the "sensational" retirement of Prosecutor General Pak Chong-chol who said he was holding himself responsible for the prosecution's inability to live up to the people's expectation of reform.

Kim has been suspected of how he might have made his big fortunes which were made public during the compulsory public officials' disclosure of their assets two weeks ago.

After expressing his intention to resign during a meeting of the NPA's high-ranking officials, Kim visited Home Minister Yi Hae-ku at his office and tendered his resignation.

Kim's resignation is likely to exert pressure on some police leaders who have been wondering whether or not to tender resignations themselves with regard to controversies over their assets, police sources said.

#### **Government Announces Reshuffle of 340 Prosecutors**

SK2109084193 Seoul YONHAP in English 0617 GMT  
21 Sep 93

[Text] Seoul, Sept. 21 (YONHAP)—The government on Tuesday [21 September] announced the largest ever personnel reshuffle in the prosecution, affecting 340 officials across the country.

In the changes, effective Friday, 334 prosecutors were transferred and six voluntarily resigned.

The follow-up to an extensive reshuffle among senior prosecutors last week saw Yi Tae-chang, second deputy chief of the Pusan District Prosecutor's Office, named chief of the Eastern Branch of the Seoul District Prosecutor's office, and Pak Chu-hwan, a prosecutor at the Seoul District Prosecutor's Office, named chief of the Southern Branch of the Seoul District Prosecutor's office.

Yi Myong-chae, deputy chief of the Eastern Branch of the Seoul District Prosecutor's Office, was appointed chief of the Western Branch of the Seoul District Prosecutor's Office.

Kim Kyong-han, deputy chief of the Southern Branch of the Seoul District Prosecutor's Office, was appointed chief of the Uijongbu Prosecutor's Office, and Han Kwang-su, deputy chief of the Eastern Branch of the Pusan District Prosecutor's Office, was promoted to chief of the same office.

Yun Tong-min, first deputy chief of the Chongju District Prosecutor's Office, became first deputy chief of the Pusan District Prosecutor's Office. Han Pu-hwan, deputy chief of the Chunchon District Prosecutor's Office, was named second deputy chief of the Pusan District Prosecutor's Office.

A Justice Ministry official said the reshuffle, which affects about three-quarters of all division chief-level prosecutors, was conducted to create a fresh atmosphere



in the prosecution by giving every prosecutor an equal chance to work in both metropolitan and provincial areas.

**Bank Issues Report on 'Weak' Competitiveness**

SK1709044893 Seoul THE KOREA HERALD in English 17 Sep 93 p 8

[Text] Weak industrial competitiveness, rather than economic recession in advanced countries, is the major factor behind the recent slow corporate investment in Korea, a report showed.

The Bank of Korea (BOK) said Wednesday in a report that in the past, investment by domestic enterprises have focused on expanding production capability, rather than developing technology, thus weakening their external competitiveness.

The weakened industrial competitiveness and the resulting loss of profits has led to the present sluggish corporate investment, the central bank said.

Korean businesses spent a mere 11.7 percent of the total investment on R&D [research and development] in 1991, compared with a 27.6 percent for Japanese companies.

The nation's facility investment, which increased 12.8 percent in 1991 over the preceding year, declined 3.1 percent last year.

To promote the recent sluggish corporate investment, the government is required to reduce uncertainties of various investment circumstances such as its monetary management policy, the BOK said.

To this end, the government should avoid a drastic change in monetary management when it seeks to hold inflation in check through the control of money supply, said the central bank.

On the other hand, the central bank said a steady rise in land prices serves as a factor promoting corporate investment by increasing the expected capital gains from land holdings.

By contrast, the downturn in land prices could weaken corporate investment on a short-term basis, because of the cut in the expected capital incomes from land holdings.

However, a fall in land prices will contribute to promoting corporate investment on a long-term basis by alleviating investment costs, the BOK said.

The government, accordingly, should continue to put emphasis on stabilizing land prices to encourage fixed investment, the central bank said.



## Burma

### Foreign Ministry Level Talks Held With Thailand

#### Thai Foreign Minister Arrives

*BK1609154093 Rangoon Radio Burma in Burmese  
1300 GMT 16 Sep 93*

[Text] Thai Foreign Affairs Minister Prasong Sunsiri arrived in Yangon [Rangoon] by air today evening to attend the First Myanmar [Burma]-Thai Joint Commission meeting.

The Thai minister was welcomed at Yangon airport by U Ohn Gyaw, minister of foreign affairs; U Nyunt Swe, deputy minister of foreign affairs; responsible department personnel; and Mr. Wirasak Futrakun, ambassador of Thailand. The Thai foreign minister was accompanied by Dr. Pracha Khunakasem, permanent secretary of the Thai Foreign Ministry, and other members.

Foreign Minister U Ohn Gyaw hosted a dinner in honor of the Thai foreign minister and party at the Inya Lake Hotel. The dinner was also attended by Myanmar-Thai Joint Commission members. The foreign ministers of both countries also delivered speeches.

#### Ministers Address Commission Meeting

*BK1809081393 Rangoon Radio Burma in Burmese  
1330 GMT 17 Sep 93*

[Text] The first session of the plenary meeting of the Myanmar [Burma]-Thai Joint Commission was held this morning in the Ruby Room of the Inya Lake Hotel. The meeting was attended by U Ohn Gyaw, foreign minister of the Union of Myanmar; Thai Foreign Minister Prasong Sunsiri; Myanmar and Thai members of the joint commission; and local and foreign journalists.

The foreign ministers delivered speeches at the meeting. In his opening speech, Foreign Minister U Ohn Gyaw said an agreement to establish the Myanmar-Thai Joint Commission was signed in January this year and that this was the first time Myanmar had established such a joint commission. He said a successful outcome of this meeting would serve as a model for his country in negotiating the establishment of similar commissions with other neighboring countries. U Ohn Gyaw explained that the joint commission is the highest forum for bilateral consultations on cooperation, and that it marked a big step forward for bilateral relations.

U Ohn Gyaw explained that the frank and cordial exchange of views and discussion between the delegations would strengthen further the existing friendship and cooperation. He expressed the hope that this meeting and the future annual meetings would pave the way for more bilateral contact.

Prasong Sunsiri said the first meeting of the joint commission marked a historic milestone which opened a new chapter in bilateral relations. He explained the objective

of the commission is to review and give assistance to various aspects of the bilateral relations. He expressed his belief that the last few days have restored the desire of the two sides to cooperate. He expressed his hope that Myanmar would be able to participate in regional affairs, especially in ASEAN.

#### Thai Minister Signs Agreement

*BK1809152193 Rangoon Radio Burma in Burmese  
1330 GMT 18 Sep 93*

[Text] U Ohn Gyaw, minister of foreign affairs of the Union of Myanmar [Burma], and Thai Foreign Minister Prasong Sunsiri signed the minutes of a meeting on bilateral agreement at the Ruby Hall in the Inya Lake Hotel at 1430 this afternoon. Present at the signing ceremony were members of the Myanmar-Thai Joint Commission [TMJC] from both sides and senior local and foreign journalists. The first meeting of the TMJC has concluded successfully with the signing of the minutes on bilateral agreement.

Thai Foreign Minister Prasong Sunsiri, who was visiting Myanmar to attend the first meeting of the TMJC, left Yangon [Rangoon] by special plane this evening. Thai Foreign Minister Prasong Sunsiri was seen off at Yangon airport by Foreign Affairs Minister U Ohn Gyaw, Deputy Foreign Affairs Minister U Nyunt Swe, responsible personnel from the departments, and Thai Ambassador Mr. Wirasak Futrakun. The Thai foreign minister was accompanied by Dr. Pracha Khunakasem, permanent secretary of the Ministry of Foreign Affairs, and other delegate members.

#### Meeting Called 'Milestone'

*BK1909115193 Rangoon Radio Burma in Burmese  
1330 GMT 18 Sep 93*

[Text] Thai Foreign Minister Prasong Sunsiri, while in Myanmar [Burma], called on Senior General Than Shwe, chairman of the State Law and Order Restoration Council, on 17 September. During the meeting, they discussed matters concerning the friendly relationship between the two countries in a cordial and frank manner. Prasong also visited Pagan and Mandalay.

The successful conclusion of the first meeting of the Myanmar-Thai Joint Commission shall be recorded as a historic milestone in Myanmar-Thai relations. It can be said that relations between the neighbors have been upgraded to a more progressive level.

#### Air Force Chief Leaves for Thai Air Show

*BK2009144993 Rangoon Radio Burma in Burmese  
1330 GMT 20 Sep 93*

[Text] Lieutenant General Thein Win, air force commander in chief, and delegation, left for Thailand by air this evening at 1630 to attend an air show at the invitation of the Royal Thai Air Force commander in chief, Air Chief Marshal Kan Phimanthip. Lt. Gen.



Thein Win was seen off at Yangon [Rangoon] airport by Brigadier General Lun Maung, minister of the Prime Minister's Office; U Win Sein, minister of rail transportation; U San Wai, deputy minister of transport; senior military officials from the Defense Ministry; Mr. Wirasak Futrakun, ambassador of Thailand; Military Attache (Prachan Karasak) [rank not given]; and relatives. The air force commander in chief was accompanied by two senior military officials.

#### **Foreign Minister Departs for Visit to Brunei**

*BK1909150593 Rangoon Radio Burma in Burmese  
1330 GMT 19 Sep 93*

[Text] At the invitation of Foreign Minister Prince Muda Hajee Mohamed Bolkiah of the State of Brunei Darussalam, Foreign Affairs Minister U Ohn Gyaw left for Brunei by air at noon today to discuss matters concerning friendship and mutual benefit between the two countries.

The foreign minister was seen off at Yangon airport by Lieutenant General Maung Thint, minister for development of border areas and national races; Brigadier General Myo Thant, minister of information; U Nyunt Swe, deputy minister of foreign affairs; directors general and responsible personnel; and Mr. Anthony Chng Chye Tong, charge d'affaires of the Singapore Embassy.

The members of the Myanmar [Burmese] delegation are: Thura U Aung Htet, director general of the Protocol Department; U Kyaw Myint, charge d'affaires of the Myanmar Embassy in Singapore; Daw May Ohn Nyo Wai, assistant director of the Political Department; and Daw Moe Thuzar, aide-de-camp of the minister.

#### **Trade Minister, Delegation Leave for Singapore**

*BK1509150493 Rangoon Radio Burma in Burmese  
1330 GMT 15 Sep 93*

[Text] At the invitation of the Ministry of Trade and Industry of the Republic of Singapore, the (Taejon) Trade Fair Committee of the Republic of Korea, and the Ministry of Trade of Indonesia, a Myanmar [Burmese] trade delegation led by Lieutenant General Tun Kyi, member of the State Law and Order Restoration Council [SLORC] and minister of trade, left Yangon [Rangoon] by air today afternoon at 1345 for Singapore.

The delegation was seen off at Yangon airport by Lt. Gen. Aung Ye Kyaw, minister of culture; Lt. Gen. Kyaw Ba, minister of hotels and tourism; Colonel Aung Thaug, deputy minister of trade; advisers, managing directors, and responsible personnel from economic organizations; Mr. Kim Chung-hwan, ambassador of ROK; Mr. Mohamed Sanusi, ambassador of Indonesia; and Mr. Anthony Chng Chye Tong, charge d'affaires of the Singapore Embassy.

#### **Forestry Minister, Delegation Return From Indonesia**

*BK1609151893 Rangoon Radio Burma in Burmese  
1300 GMT 16 Sep 93*

[Text] A Myanmar [Burmese] delegation led by Lieutenant General Chit Swe, minister of forestry affairs, who went to Indonesia to study timber-based industries in the forestry sector and to hold talks on bilateral cooperation and economic matters, arrived back in Yangon [Rangoon] via Singapore by a Myanmar Airways International flight tonight. The minister and delegation were there at the invitation of Mr. Hartarto, Indonesia's coordinating minister of industry and trade, and Mr. Jamaludin, minister of forestry affairs.

The delegation was welcomed at Yangon airport by Lt. Gen. Mya Thinn, minister of home affairs; Lt. Gen. Maung Thint, minister of development of border areas and national races; Brigadier General Lun Maung, minister of the prime minister's office; Mr. Mohamed Sanusi, ambassador of Indonesia; responsible personnel from departments and enterprises under the Forestry Affairs Ministry; and relatives.

The minister was accompanied by Brig. Gen. Aye Kyaw, commander of the northeast military command; U Myat Thinn, director general of the Planning and Statistics Department of the Ministry of Forestry Affairs; Colonel Maung Maung, deputy commander of the Southern Military Command; U Soe Kyi, director general of the Forestry Department; U Myint Than, general manager of Myanmar timber enterprise; and Captain Aung Lay Htut, personal officer of the minister.

#### **Meet Suharto During Visit**

*BK1809081993 Rangoon Radio Burma in Burmese  
1330 GMT 17 Sep 93*

[Excerpt] Lieutenant General Chit Swe, minister of forestry affairs, and his delegation returned yesterday from a tour of Indonesia. Lt. Gen. Chit Swe and his delegation paid a courtesy call on President Suharto of Indonesia in the morning of 11 September and held cordial discussions on forestry and forest conservation and extraction in the two countries.

Minister Lt. Gen. Chit Swe and his delegation called on Mr. Hartarto, coordinating minister for trade affairs, and discussed implementation of bilateral economic enterprises and cooperation in timber-based industry.

During the visit, Lt. Gen. Chit Swe held several meetings with Mr. Jamaludin, minister of forests, and exchanged views on the development of the forestry sector and forest conservation, and discussed forest extraction in the two countries, bilateral exchange of technology, and prospects for bilateral cooperation. [passage omitted]



### **Minister, Delegation Leave for World Bank Meeting**

*BK2009143593 Rangoon Radio Burma in Burmese  
1330 GMT 20 Sep 93*

[Text] Brigadier General Win Tin, minister of finance and revenue, left Yangon [Rangoon] this evening via Thai Airways International to attend the annual meeting of the International Monetary Fund, World Bank, and affiliated organizations under the World Bank to be held in Washington, the United States of America.

The minister was seen off at the airport by Brig. Gen. Lun Maung, minister of the prime minister's office; U Win Sein, minister of rail transportation; advisers; department heads; responsible personnel from the Ministry of Finance and Revenue; and relatives.

U Kyi Aye, chairman of the Myanmar [Burma] Central Bank; U Thein Aung Lwin, director general of the Foreign Economic Relations Department [FERD]; U Tin Win, deputy director of the FERD; and U Khin Maung Aye, personnel officer to the minister, are delegation members.

### **Bangladesh Repatriates Another 515 Rohingyas**

*BK2009142993 Rangoon Radio Burma in Burmese  
1330 GMT 20 Sep 93*

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of those who illegally left Myanmar [Burma] for Bangladesh, a delegation led by camp supervisor Mr. (Monoa Hussein Akham) from the country on the other side returned 515 returnees—260 males and 255 females—from 104 households to our Kanyinchaung reception center at 1035 on 19 September 1993. They were brought in by 13 motorboats. The Bangladesh delegation departed at 1400.

### **National Convention Adjourns, To Resume 18 Jan**

*BK1609150793 Rangoon Radio Burma in Burmese  
1300 GMT 16 Sep 93*

[Excerpt] For the national convention delegates to have rest and recreation back home; settle family matters; be able to engage in economic and social activities; and prepare, research, and gather references and facts for discussing the fundamental principles at the national convention; the national convention has been adjourned from 17 September 1993 to 17 January 1994. Thus, national convention delegates have begun to return home from the Kyaikkasan Ground Hostels starting this evening. [passage omitted]

### **Bank Chairman Counters Rumors on Currency**

*BK1509153093 Rangoon Radio Burma in Burmese  
1330 GMT 15 Sep 93*

[Text] Recently, rumors have been spreading about the status of the currency. Therefore, our special correspondent this afternoon interviewed U Kyi Aye, chairman of

the Central Bank of Myanmar [Burma], Ministry of Finance and Revenue. U Kyi Aye explained that rumors saying the 200 kyat note will be withdrawn from circulation are groundless and remarked that there are no such plans concerning the currency. He also strongly reaffirmed that people may use the current legal tender with confidence.

Nowadays, unscrupulous politicians, who do not wish to see a stable and peaceful situation reigning in the country and who are intent on taking advantage of an unstable situation, have been spreading such concocted rumors concerning the withdrawal from circulation of legal tender. It has also been learned that due to a slump in car sales, some car traders, intent on boosting sales for their own personal gain, have been instrumental in spreading these baseless rumors.

### **Official Counters Rumors on Public Service Bonus**

*BK1609160293 Rangoon Radio Burma in Burmese  
1300 GMT 16 Sep 93*

[Text] These days, rumors have been spreading that the government is going to give public service personnel a special lump sum bonus and those who have heard the news are shedding tears of joy. This rumor came to light when Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], spoke at the ceremony marking the conclusion of training held at the Phaunggyi Institute of Public Services. The SLORC Information Committee has pointed out that these rumors are untrue and are only groundless fabrications. There are people who spread these rumors not knowing they are baseless, but there are also unscrupulous politicians who deliberately spread these rumors to boost basic commodity prices thereby creating instability.

### **Karens Said To Attack Mon, ABSDF Insurgents**

*BK1809093193 Rangoon Radio Burma in Burmese  
1330 GMT 17 Sep 93*

[Text] It has been learned that there has been fighting among the Karen and ABSDF [All Burma Students Democratic Front] terrorist insurgents, who used to operate together in Mergui and Tavoy Districts, Tenasserim Division and the open sea off the coast, where they engaged in murder, robbery, kidnapping, and extortion. On 30 August, the 10th Battalion of the 4th Brigade of the Karen terrorist organization attacked a combined unit of ABSDF members operating under Moe Thee Zun and Mon insurgents at Kyaukme Creek near Ngawun Creek in Mergui-Tavoy District. It has been learned that six ABSDF members were killed and seven wounded and that the wounded were being treated in a hospital in the country on the other side [Thailand]. Following the incident, it is understood that about 100 ABSDF members left the Minthamee camp of the Karen terrorist insurgents and moved to the camp of Huayphat belonging to the Mon terrorist insurgents.



**62 Prisoners Released From Myaungmya Jail 18 Sep***BK1809151293 Rangoon Radio Burma in Burmese 1330 GMT 18 Sep 93*

[Text] It has been learned that 59 male and three female detainees, against whom action was taken under existing laws and who were serving their sentences, have been released today from Myaungmya jail after their remaining sentences were commuted according to Declaration No. 11/92 of the State Law and Order Restoration Council.

**NLD Issues Statement on SLORC Anniversary***BK1909120793 Oslo Democratic Voice of Burma in Burmese 1430 GMT 18 Sep 93*

[Text] The National League for Democracy [NLD] in the liberated area today issued a statement on the fifth anniversary of the State Law and Order Restoration Council [SLORC] which brutally quelled the people's uprising to demand democratic rights.

The statement says the SLORC, which announced that it would take over power and then crushed the people's demands for democratic rights during the four-eight [8-8-88] uprising, continues to implement the military dictatorship established and led by Bo Ne Win in 1962. The SLORC has deceived the people and the world with the multiparty elections and has arrested public leader Daw Aung San Suu Kyi, politicians, monks, students, and youths. Moreover, it ignored the election results, which opposed the military dictatorship, and substituted the result with a sham national convention. This sham national convention is being held to continue the military dictatorship. Under the SLORC, the country is in the worst situation it has encountered in its history.

The statement also urged the patriots from the Defense Services not to follow Bo Ne Win's military dictatorship path but to follow General Aung San's path and side decisively with the people to extricate the country from this situation. The statement added that, with the solidarity of the parties and organizations of all the brothers [national races], the NLD in the liberated area will struggle with maximum effort until the military dictatorship is removed and the fully democratic union is established.

**SLORC Troops Reportedly Torture Farmers***BK1609103093 Oslo Democratic Voice of Burma in Burmese 1430 GMT 15 Sep 93*

[Text] The August issue of the KHIT PYAING JOURNAL [NEW ERA JOURNAL] has reported that during July, the SLORC [State Law and Order Restoration Council] army burned and destroyed farmers' homes in Nyaungbin Hlaing and Nyaungbin Thar village tracts in Tantabin Township, Pegu Division. The report said that on 20 July, a group of army personnel led by Lieutenant Tin Maung U from the 4th company of the

SLORC's 41st Light Infantry Regiment beat the families of farmers U Than Nyunt and U Tun Kyaing, accused them of collaborating with terrorist insurgents, and then burned their homes. Furthermore, Lt. Tin Maung U's group entered the homes of the farmers in Nyaungbin Thar Village, beat them up, burned their homes, and then forcibly removed their belongings.

On 25 July, the same group led by Lt. Tin Maung U arrested Ko Win from Zigon Village of Tawpu Village Tract in Kyaukkyi Township, accusing him of having contact with revolutionary organizations. They took him to the regimental base camp in Thayettan Village and tortured him.

**Brunei, Malaysia & Singapore****Malaysia****Britain's Major Replies to Written Questions***BK2009113993 Kuala Lumpur BERNAMA in English 1052 GMT 20 Sep 93*

[By Azman Ujang]

[Text] Kuala Lumpur, Sept. 20 (OANA/BERNAMA)—British Prime Minister John Major, who arrives here Tuesday for a two-day working visit to Malaysia, wants to see the revival of traditional values in Britain to restore the country to its past glory.

He says values such as respect, civility and neighbourliness need to be revived to create a more disciplined society in Britain while the centrepiece of his government's work was an all-out attack on crime.

I want to see a Britain that is proud, successful and tolerant; a country which recognises and rewards talent and where the sky is the limit for men and women of ability and hard work, he adds in his reply to questions submitted by BERNAMA to his office to mark the visit, his first since he became prime minister in November 1990.

I believe strongly in the importance of education, of getting back to basics in our schools, Major says, adding that he is determined to carry on what he has been doing since taking office to build foundations for lasting economic recovery.

Britain, he says, is now leading Europe out of recession and is itself set to be the fastest growing economy in the European Community (EC) this year and the next.

The prime minister, who is accompanied on his Malaysian tour by his wife, Norma, and a group of leading British industrialists, says he also wants to see more goods manufactured in Britain although it is now already exporting more than ever before.



I want us to do even better. We are constantly looking for ways to support our manufacturers and exporters, he adds.

On international affairs, Major disagrees with views that he has not been as forceful as his predecessor Margaret Thatcher, especially in finding a settlement to the conflict in Bosnia-Herzegovina.

While insisting that Britain has always taken an extremely active part in international affairs, he says in Bosnia it is in the forefront of the international relief effort and has given 141 million pounds sterling to help relieve the sufferings.

#### **Minister: Britain Offers Infantry Vehicles**

*BK1909100293 Kuala Lumpur NEW STRAITS TIMES in English 17 Sep 93 p 1*

[Excerpt] Kuala Lumpur, Thurs.—Britain will provide for an unlimited period 43 infantry vehicles for use by Malaysian troops in Bosnia-Herzegovina, Defence Minister Datuk Sri Najib Tun Razak said today.

The offer was made by British Prime Minister John Major whose government wanted to provide the necessary assistance and support to make the Malaysian deployment a success, he said.

He added that the 1,500 Malaysian troops who are joining the United Nations Protection Force (Unprofor) in Bosnia would take delivery of the vehicles between November and April next year.

In what is the first such foreign aid to a Malaysian peacekeeping operation overseas, Najib expressed appreciation to the British Government.

Speaking at a news conference at the ministry in Jalan Padang Tembak here he described the move as a further testimony of the close defence co-operation between the two countries.

The vehicles being loaned are 31 Land Rover Defenders (two to be modified as field ambulances, 17 as communication vehicles and 12 for general transport) and 12 four-tonne trucks.

Najib said Britain had pledged that Malaysian troops could use these vehicles for free as long as they are serving in Bosnia.

He said these vehicles would be offered for sale to Malaysia at special prices upon completion of the Malaysian battalion's mission.

He added that Britain might offer other types of vehicles later to suit the requirements of the tasks to be assigned to the Malaysian troops by Unprofor. [passage omitted]

#### **Thai Trawler, Crew Arrested by Navy on 19 Sep**

*BK2009100793 Kuala Lumpur Voice of Malaysia in English 0800 GMT 20 Sep 93*

[Text] The Royal Malaysian Navy has detained a Thai trawler and fishing crew yesterday for illegal fishing in waters off Pulau Perhentian off the state of Terengganu.

Fisheries Department Marine Branch Chief, Abdul Hamid Shukor, said the Songkhla-based (Chukkuhana) was (?caught) at 7.15 am. The boat and crew were taken to Cendering Fishing jetty near the state capital Kuala Terengganu, pending appearance in court tomorrow on charges under the Fisheries Act 1985.

#### **Singapore**

#### **Aerospace, China Holdings Sign Joint Venture Pact**

*BK2009121293 Singapore BUSINESS TIMES in English 18-19 Sep 93 p 6*

[By Dexter Lee]

[Text] Singapore—Singapore Aerospace Ltd sealed an agreement with China Merchants Holdings (Hong Kong) Co Ltd yesterday to form a 50-50 joint venture that will invest in aviation-related projects in China.

The joint venture, called Singapore-China Merchants Aviation Holdings Ltd (SCMA), will be based in Hong Kong and will have an initial paid-up capital of HK\$10 million (S\$2.1 million).

China Merchants Holdings is a diversified Hong Kong-based company which has interests in shipping, trading, finance and property. It is part of the China Merchants Group, which boasts a total asset value of HK\$21 billion.

According to a Singapore Aerospace spokesman yesterday, the new company was evaluating several sites in China to develop airports and build aircraft maintenance facilities. She declined to go into details.

But she said SCMA would give the government-owned Singapore Technologies Group a foothold in the China market. Singapore Technologies Holdings Pte Ltd, the group's flagship, is Singapore Aerospace's parent.

Singapore Aerospace said in a statement yesterday: "The joint venture will need to tap on the resources and expertise of other sister companies in the ST group, as well as other appropriate local companies when undertaking its planned projects."

China Merchants executive vice-chairman Jiang Bo will assume the chairmanship of SCMA, while ST Holdings director and executive committee member Fock Siew Wah will serve as deputy chairman.



The other directors of the company are China Merchants executive director and president Li Yin Fei and ST Holdings president Quek Poh Huat.

Mr Li and Mr Quek, who is also the president of Singapore Aerospace, signed the joint venture agreement yesterday.

### **Indian High Commissioner Presents Credentials**

*BK2109095093 Delhi All India Radio Network in English 0730 GMT 21 Sep 93*

[Text] The Indian high commissioner to Singapore, Mr. B.M.C. Nair, today presented his credentials to President Mr. Ong Teng Cheong. Later, he told newsmen that relations between India and Singapore, which are warm and friendly, are set to grow further with increasing economic interaction and high-level political visits. Mr. Nair said right now a high-level delegation of the Economic Development Board of Singapore is in India to identify projects for investments. He said the Singapore prime minister, Mr. Goh Chok Tong, is due to visit India early next year and Prime Minister Mr. Rao will visit Singapore later during the year.

Our Southeast Asia correspondent reports that trade between the two countries now totals \$1.5 billion and Singapore investments in India in the first half of this year have exceeded \$13 million.

## **Cambodia**

### **Japanese Foreign Minister Arrives in Phnom Penh**

*BK1509123693 Phnom Penh AKP in English 1050 GMT 15 Sep 93*

[Text] Phnom Penh AKP September 15—Japanese Foreign Minister Tsutomu Hata arrived here this morning to pay a two-day official visit to Cambodia.

Just after his arrival at Pochentong Airport, Hata flew to the port city of Sihanoukville where he schedules to call on the Japanese engineering contingent who served with the United Nations peacekeeping force in Cambodia.

While here, the chief of the Japanese diplomats is scheduled to meet with Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia; co-leaders of the Provisional National Government of Cambodia, Prince Kromluong Norodom Ranariddh and Hun Sen, and Foreign Minister Prince Norodom Sirivut.

He will also visit the construction site of the Chrouy Changva bridge crossing Tonle Sap river the construction of which has been done with the Japanese assistance.

### **Meets With Sirivut on 16 Sep**

*BK2109063193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 17 Sep 93*

[Text] Prince Norodom Sirivut, minister of foreign affairs and international cooperation, held talks on 16 September with His Excellency [H.E.] Tsutomu Hata, Japanese deputy prime minister and foreign minister.

The prince foreign minister warmly welcomed the visit by H.E. Tsutomu Hata and his colleagues as a sign of the good ties of friendship and cooperation between the Cambodian and Japanese peoples. The prince also expressed deep thanks to the Japanese Government and people for their significant contribution to seeking peace for the Cambodian people and their participation in the UNTAC [UN Transitional Authority in Cambodia] Force and in rebuilding Cambodia.

The prince also then informed the delegation of the developments in Cambodia while the Constituent Assembly was in session to adopt the constitution so as to move on toward establishing a government of national reconciliation to restore the national economy under the leadership of His Royal Highness [HRH] Prince Norodom Sihanouk, Cambodia's head of state and father of the nation.

On the bilateral cooperation, the prince spoke on the urgent need to develop agriculture and to restore and develop infrastructure, such as bridges, roads, and ports, and to improve higher education.

The prince also thanked Japan for hosting and inviting the Cambodian delegation to the conference on the maintenance of the Angkor Temple to be held in Tokyo on 12 and 13 October 1993, saying that it would be a good opportunity to display Cambodia's glorious civilization.

In his reply, H.E. Tsutomu Hata thanked the prince for the warm and cordial welcome accorded him and his colleagues during their visit. He also welcomed the formation of a new Cambodian Government in the future in line with the advice of HRH Prince Norodom Sihanouk, Cambodia's head of state.

H.E. Tsutomu Hata also spoke on Japan's contribution to Cambodia's restoration and expressed Japan's willingness to continue this assistance so as to consolidate peace in Cambodia. He also spoke about the international community's attention at the international conference on restoring Cambodia held recently in Paris and the former Prime Minister Miyazawa's plan to hold a conference on developing Indochinese countries in December 1993 so as to consolidate stability in the region and peace in Cambodia.

On the cultural field, the Japanese side promised to provide scholarships to train diplomats and Japanese language lessons to Cambodia.



The Japanese deputy prime minister and foreign minister added that the Japanese side would also study assistance and cooperation in the fields of infrastructures and agriculture.

In conclusion, the prince again thanked the Japanese side and extended best regards to the Japanese emperor.

#### **Paper Advocates Japan as Economic Partner**

*BK2009110593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 19 Sep 93*

[REAKSMEI KAMPUCHEA commentary: "Cambodia To Select its Economic Partners"]

[Text] While political, economic, and security stability has gradually come into existence in the country, Cambodia has become an economic outpost in Southeast Asia which is being eyed by economically developing countries which are striving to move their markets into the badly damaged territory which needs everything to again promote its economic potential. Japan, acknowledged as an economic superpower in Asia, is not indifferent to advantages ensuing from the speedy resumption of good relations between the Royal Japanese Government and the Cambodian Government.

Apart from Thailand, which borders Cambodia, Japan has been involved in Cambodia indirectly or directly since before the Paris 23 October 1991 accord was signed. So far, although Japan has not yet claimed Cambodia as one of its markets, it is evident through its commodities ranging from appliances to everyday tools that Japan has almost totally grasped Cambodia's markets and needs. Japan skillfully implemented an economic policy in a socialist country [Vietnam] on which economic embargoes were imposed because of Cambodia. However, it is believed that Mr. Hun Sen's government is not really in a bid to solve the issue of the people's need for materials and appliances because a huge quantity of Japanese goods has flowed into Cambodia via Thailand or Singapore. At that time, many other countries lost huge benefits in Cambodia due to the stern economic embargo policy. It is noted that the Royal Japanese Government appeared to clearly separate its economic policy from its political stance toward the former Hun Sen government, although the move was faulted by a number of countries who were adopting a tough stance toward the then Cambodian Government. The Japanese policy began to impress on the Hun Sen government the need to accept Japan as an economic partner. For the time being, Japan is in the best position concerning economic relations with Cambodia.

The visit by Tsutomu Hata, Japanese deputy prime minister and foreign minister, to Cambodia on 15 and 16 September is clear evidence of the Japanese Government's consideration for Cambodia and of its efforts to strengthen Japan's stance in Cambodia's economic and trade sectors.

It is apparent that among the five countries—Australia, Indonesia, France, Thailand, and Japan—which are the authors of the Paris accord, Japan has provided Cambodia with more aid, both financial and technical, than the others. Japan welcomed the visit by His Excellency [H.E.] Chea Sim, in his capacity as the National Assembly chairman of the former State of Cambodia, in July 1991; hosted, in June 1990, the Hun Sen-Sihanouk meeting and; in June 1992, the first international conference on the reconstruction of Cambodia at which Japan pledged to give \$150 million of the \$880 million in aid to Cambodia. The Japanese aid is \$20 million more than that offered by the United States. At the second international conference held in September 1993, of the \$119 million in additional aid for Cambodia, Japan also pledged to make more contributions than the others.

It is the first time ever that Japan, in the name of the United Nations, has sent 800 civilian and military personnel to Cambodia. Also, Japan has, with its engineers and materiel, helped to join the Chrouy Changva Bridge, one of the biggest bridges in Cambodia, that was blown up in the war during the 1970s. Although the construction cost is deducted from the aid package for Cambodia, it is noted that Japan has done more than the other countries in Cambodia. The Japanese UNTAC [UN Transitional Authority in Cambodia] troops in Cambodia have not only made a contribution to the search for peace, but they have also helped construct National Routes 2 and 3.

In the opinion of some analysts, it is apparent that Japan has more possibilities than the other countries to attract the Cambodian Government's sympathy presently and in the future because Japan's economy is thriving and Japanese goods are popular among the Cambodian people. Besides, UNTAC chief Akashi, who is a veteran diplomat of the Royal Japanese Government, has also run Cambodia during the transitional period which will end soon.

Japan's political stance toward Cambodia and the Khmer Rouge is more specific than that of Thailand. Japan's good points and favorable conditions cause the Japanese and Cambodian Governments to look to each other for the sake of bilateral benefits. Also, Japan is overtaking some countries in expanding markets in Cambodia. Therefore, it is logical for the Cambodian Government to include Japan as an important partner at present and in the future. Japan is also a kingdom like Cambodia and the two countries have a similar complexion, politics, and goodwill as well. Concretely, Japan is also a country that has helped Cambodia more than other countries. However, according to some, the Cambodian Government seems to not really look at Japan because it only pays attention to Thailand, Singapore, and Indonesia. The government appears to remain indifferent to Japan, which is an indispensable partner.

Because of the aforementioned evidence, it is rational for Cambodia to select Japan as a more important partner than Thailand. This is because Thailand has committed



several wrongdoings towards Cambodia, especially its trade relations with and support for the Khmer Rouge. Anyway, this does not mean that Cambodia should abandon Thailand. The country remains an important partner, but Japan is also important for the development of the country.

We do believe that Japan has clearly envisioned its brilliant future in Cambodia as it has given more money to the country than the United States and Britain, the world's economic superpowers.

### **Co-Prime Ministers Ask for Thai Assistance**

*BK1709142593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 17 Sep 93*

[“Message from the Cochairmen of the Provisional National Government of Cambodia to His Excellency Prime Minister of the Government of the Thai Kingdom in Bangkok;” dated 15 September—read by announcer]

[Text] Respected Excellency Prime Minister:

On behalf of the Provisional National Government of Cambodia [PNGC], allow us to express most profound thanks to Your Excellency and the Government of the Thai Kingdom for the firm support for the Cambodian peace process until it achieves a remarkable success.

You Excellency is aware that although a provisional national government has been established in Cambodia in accordance with the Paris agreement for the good future of Cambodia's construction, opposition and destruction by the Party of Democratic Kampuchea [PDK] continue to take place almost daily. The PNGC cannot tolerate the continuation of such activities. Therefore, the government has been forced to launch mopping-up operations to seize a number of major bases of the Khmer Rouge rebel forces in northwest Cambodia.

In this regard we would like to make a request to Your Excellency to ask for permission from the Government of the Thai Kingdom to enable the Cambodian National Armed Forces to evacuate 963 officers, troops, and their families, and transport 1,916 assorted weapons and 808 cases of ammunition through Thai territory from Sok San camp to Poipet, because we have decided to pull out these forces from the Sok San camp area due to the inability to provide supplies and due to the pressure and threat on these troops by the PDK.

We hope for and firmly believe in the assistance of Your Excellency and the Government of the Thai Kingdom.

Please accept our profound consideration.

[Dated] Phnom Penh 15 September 1993

### **Commentary Views Thai Foreign Minister's Remarks**

*BK2109062193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 20 Sep 93*

[REAKSMEI KAMPUCHEA commentary: “Thailand To Take Tough Measures Against the Khmer Rouge”—date not given]

[Text] Thai Foreign Minister Prasong Sunsiri has hinted that Thailand will take tough measures against the Khmer Rouge if the group continues its military activities after Cambodia's new government is installed. The Thai foreign minister has also said that Thailand has no special contact with the Khmer Rouge.

At a luncheon hosted by Thailand's Foreign Correspondent's Club, Mr. Prasong Sunsiri reaffirmed that the special contact did not exist, saying: We have maintained contact with all the Cambodian parties since the beginning. He added that Bangkok would fully support the permanent and legal government of Cambodia, but did not deny that contact with the Khmer Rouge would be preserved for the sake of achieving national reconciliation.

The Bangkok BANGKOK POST quoted Mr. Prasong Sunsiri at the luncheon as saying: We continue our contact with the Khmer Rouge because they are members of the Supreme National Council of Cambodia. He stated this in answering a question about the close relations between Thailand and the rebels, who are responsible for the death of millions of people. The Thai foreign minister added: After the installation of a permanent government in Cambodia, if the Khmer Rouge have no part and if they continue to use arms, this is the juncture at which you will see what policy the Thai Government takes against the group considered to be outlaws. He, however, refused to elaborate on those measures.

Mr. Prasong, who spent 15 minutes delivering the speech accounting for Thailand's policy toward Cambodia, also said: We will provide the new government with every assistance. We will also continue to support all work toward national reconstruction, which we regard as the path of salvation for the whole Cambodian nation. The Thai foreign minister further said: In the meantime, we cannot rule out contact with any party in Cambodia if the contact is deemed necessary to help promote the cause of peace.

Thailand has been strongly criticized for the special relations the Thai Army has with the Khmer Rouge. Recently, UN peacekeeping forces accused Thailand of aiding the Khmer Rouge to overrun a Phnom Penh government base at a border area. Mr. Prasong, however, underlined that those accusations were based on the Khmer Rouge's past activities, which had already ended. He added that his government was against any renewed attacks in Cambodia, saying: If the Khmer Rouge decide



to take up arms and fight, we will not share the conception. He further said: I have raised this question with Khmer Rouge leaders and told them that they should explore a political solution, not a military one. Come what may, he continued, we will not get involved in Cambodia's internal affairs.

#### **Sihanouk: Not Able To Attend Sep UN Assembly**

*BK1509080193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 14 Sep 93*

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk said on 12 September that he would not be able to participate in the UN General Assembly to take place this month due to his need for medical treatment for a rectal tumor. In a message addressed to the cochairmen of the Provisional National Government of Cambodia on 12 September 1993, Cambodian Head of State HRH Prince Norodom Sihanouk regretted that he would not be able to lead the Cambodian delegation to the UN General Assembly, explaining that his health and his age prevent him from doing so.

His Royal Highness added that Foreign Minister Prince Norodom Sirivut will replace him and lead the Cambodian delegation to the forthcoming UN General Assembly.

#### **Son Sann Ends Debate After Constitution Adopted**

*BK2109060193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0330 GMT 21 Sep 93*

[Closing speech by Son Sann, chairman of the Constituent Assembly, at 21 September session of the constitutional debate—live]

[Text] Your Highness Prince Kromluong, princes, ladies, and excellencies: Today, 21 September 1993 is another historic day, another glorious day for all of us Cambodians. Cambodia's Constituent Assembly, under the mandate of our Cambodian people, today voted to pass the text of our Constitution after several days of debates and consultations. Although the text of the Constitution adopted today still cannot be considered completely flawless, this Constitution is born out of the volition of our people [applause] through the offices of their representatives elected last May.

Your Highness Prince Kromluong, princes, ladies, and excellencies, the debates on the Constitution and the vote to pass it took place in a very democratic atmosphere since we discussed with one another to find out what was right, what was wrong, what would be minuses, and what would be pluses. We worked hard to uncover correct and appropriate punctuation, phrasing, and sentences so the text of our Constitution may render the best service to our country and people. Nevertheless, despite all of these efforts, it is my personal opinion that we still

are in need of a number of other points and we will have to get them through future amendments. When we find out that this text no longer fully answers to the needs of our country or no longer conforms with the judicial conditions that all jurists recognize as universally acceptable, then we will know that we have not yet fully abided by the wishes of our prince head of state in his capacity as the ever-impartial father of the nation, who equally loves his children from all political parties and had not yet been able to please every citizen. That will be a shortcoming that we must have the courage to admit.

Your Highness Prince Kromluong, princes, ladies, and excellencies, now we are in possession of a fundamental constitutional law. This Constitution adopts a monarchical system under which the King rules, but does not govern. Today, the King has already handed down all powers to his subjects. Therefore, we who are the delegates of the people, who really love the people, must not forget the idea of national reconciliation, which will enable our nation to be stable and to last by [words indistinct] respecting our Constitution from now on. In my capacity as assembly chairman and as the most senior member, however, I would like to reemphasize that we must all continue to carry out our MP duties without hesitating to bring up anything that is good and also without hesitating to discard anything that is undemocratic, that does not serve the interests of our people.

Before concluding, I would like to praise all highnesses, ladies, and excellencies the members of the assembly for fulfilling your tasks with mutual understanding, a sense of democracy, and a noble attitude. We have never forgotten that we Cambodians used to be a people of advanced and high culture. Our forefathers for hundreds of years built up their names and fame and left behind a great heritage to all of us to the present day. Even at this moment I still can recite by rote this truism that divided, Cambodia will be weak; united, Cambodia will be strong. Thank you. [applause]

#### **Khmer Rouge Spokesman Denies UNTAC Claims**

*BK2009012493 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 19 Sep 93*

[Statement issued by the spokesman for the National Army of Democratic Kampuchea on 18 September—read by announcer]

[Text] On 17 September, UNTAC [United Nations Transitional Authority in Cambodia] Radio broadcast for the nth time an announcement deceptively claiming that [UNTAC Commander] Sanderson and the puppets had welcomed a number of so-called defectors.

The spokesman of the National Army of Democratic Kampuchea [NADK], also for the nth time, would like to make a denial regarding this ignoble and deceitful propaganda aimed at deceiving national and international opinion.



The NADK spokesman would like to point out the following facts:

1. This kind of propaganda gimmick has always been used by the Vietnamese, the Vietnamese puppets, and their allies in an attempt to deceive national and international opinion.
2. Democratic Kampuchea is an important national force in the struggle against the Vietnamese aggressors and their stooges to prevent the nation from becoming another Kampuchea Kraom [ancient Cambodian territory annexed by Vietnam]. The Cambodian nation and people are very well aware of Democratic Kampuchea's love for the nation and the people.
3. Loving the nation and the people by nature, and having been tested through years of tough and undaunted struggles in defense of the nation and the people, the NADK as well as every Democratic Kampuchea combatant and cadre see no reason to abandon the nation or the people for the sake of anyone's money. They see no reason to go anywhere with the puppet administration of the Vietnamese aggressors. Democratic Kampuchea has stuck with the nation and people for ages and generations. It absolutely refuses to live with the ruling traitors, who have sold their country to the foreigners and the Vietnamese aggressors.

[Dated] 18 September 1993  
[Signed] NADK spokesman

#### **Ranariddh to KR: Accept Laws or Become Outlaws**

*BK2109080693 Hong Kong AFP in English 0743 GMT 21 Sep 93*

[Text] PHNOM PENH, Sept 21 (AFP)—Prince Norodom Ranariddh, speaking after the approval of Cambodia's new constitution Tuesday, warned the radical Khmer Rouge [KR] that it risked being outlawed if it did not bow to the new laws of the country.

"They don't have any choice, either they be part of the national community in conformity with all laws—or they become outlaws," the prince said.

The Prince, who is also prime minister of the interim Cambodian Government, was speaking after 113 members out of the 120 strong elected assembly voted in favour of a new constitution restoring Prince Norodom Sihanouk to the throne.

United Nations force commander Lieutenant General John Sanderson, who along with U.N. peacekeeping chief Yasushi Akashi attended the assembly meeting, said the Khmer Rouge were now in a difficult position.

The once-Maoist guerrilla leaders have approved of the restoration of Prince Norodom Sihanouk to the throne he abdicated 38 years ago. And that's where the difficulty lay, Sanderson said. "After the king is appointed, who will the Khmer Rouge fight, the king?," he asked.

Faced with this dilemma, observers here say more Khmer Rouge guerrillas could be expected to join the ranks of recent Khmer Rouge deserters.

"A lot of them are waiting to see how the process goes and waiting to see how the ones that have surrendered are treated," the general said.

Government sources put the number of recent Khmer Rouge defectors at nearly 2,000.

With Prince Sihanouk as monarch of a sovereign independent Cambodia, the guerrillas would no longer have a reason to fight, said Prince Ranariddh, who becomes first prime minister in the new government with Hun Sen as second premier once Prince Sihanouk promulgates the constitution Friday.

"All of the Khmer Rouge defectors said that they are fed up of war, they don't want to fight anymore.

"They said that the way that their leaders lead them is not a good way. The best way is to be with the king, the best way is to be with the representatives of the people, the best way is that the Cambodians should stop fighting each other," the prince, who is Prince Sihanouk's son, said.

The Khmer Rouge high command should also stop deceiving their men by pretending that the radical faction is fighting Vietnamese aggressors, the prince said.

Hanoi says it withdrew all its troops in 1989 but leaders of the Khmer Rouge, which fought against the Vietnamese in Cambodia for 10 years with Chinese, Thai and other international assistance, still insist that the guerrilla faction is fighting foreign invaders.

The deserters said they had been fooled by their leaders.

"Now they have realised that they fought only against Khmers. And they said Khmers should stop bleeding each other like this," the prince said.

Khmer Rouge leaders, and Pol Pot in particular, should heed the "patriotic" sentiments of their own soldiers, the prince said. But he was not too optimistic that the message would be well received by all the guerrilla leaders.

"Ta Mok has said he is determined to destroy FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] for betraying the national cause. He is also determined to destroy all the deserters. That's Ta Mok," the prince said referring to the notorious one-legged Khmer Rouge general.

But whether the leaders listen or not, the guerrilla faction's days "were numbered", the prince said.

Asked if the government was planning an offensive against the Khmer Rouge, the prince replied: "We have to wait until the roundtable discussion in October."



The government is scheduled to meet with the Khmer Rouge in October to discuss the radical faction's request to have an advisory role in the government. But not everybody was optimistic about the outcome of the talks.

"If they really want to join the government why should they attack us? That's the problem," Hun Sen said recently.

#### **Warns KR of 'Severe' Measures**

*BK1709124393 Phnom Penh AKP in French 1037 GMT 17 sep 93*

[Text] Phnom Penh 17 Sep (AKP)—Prince Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia (PNGC), on Thursday, 16 September, warned the Khmer Rouge [KR] that he would take appropriate and severe measures if they cling to their intransigent position and continue to secede Pailin.

Prince Norodom Ranariddh stressed that at the "round-table" scheduled to be held next October between the heads of the Khmer Rouge and those of the new Cambodian Government in the presence of Prince Norodom Sihanouk, head of state, he would try to persuade the Khmer Rouge to join the national reconciliation process.

The prince complained about the attacks by the Khmer Rouge against government forces in some localities, particularly in Kompong Thom and Preah Vihear Provinces.

He rejected the new proposal of the Khmer Rouge on power sharing in the new government. "These people did not take part in the general elections. So, the fact that the Phnom Penh government accepts their role as advisers already constitutes a gesture of tolerance toward them," he noted.

### **Indonesia**

#### **Jakarta Cancels Purchase of F-5E's From Jordan**

*BK2109131093 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 21 Sep 93*

[Text] The Indonesian Government has canceled a contract on the purchase of four F-5E fighters from Jordan. The cancellation of the purchase will neither affect good relations between the Indonesian Air Force and the Royal Jordanian Air Force nor the strength of Indonesian Air Force squadrons. Speaking during a hearing with House Commission I [in charge of foreign affairs, defense and security, and information] in Jakarta today, General Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia, said the cancellation was made because Jordan sought prior approval from the U.S. Government to sell its fighters to other countries in accordance with regulations set by the Clinton administration and some U.S. senators linked the contract to preconditions having nothing to do with

the purchase or sale of aircraft, such as human rights in East Timor. According to Gen. Feisal Tanjung, the cancellation of the contract is being processed administratively.

#### **Editorial Notes U.S. 'Double Standard' in GSP**

*BK1709103593 Jakarta MERDEKA in Indonesian 6 Sep 93 p 4*

[Text] The issue of the U.S. threat to withdraw the GSP (General System of Preferences) [preceding term in English], which it hurled at Indonesia will drag on. The threat, which is linked to issues on human rights, the existence of democracy, and the Indonesian workers, was clearly seen as a premeditated measure.

This happens at the same time that Indonesia is facing certain difficulties in being self-reliant—whether in the political or economic fields—and such problems seem to come in a continuous flow, particularly from the United States. By basing the issues on human rights, the existence of democracy, and labor conditions, the United States hastily used the threat to rescind the GSP facilities afforded to Indonesia.

If the GSP facilities, which are mainly connected with nongas exports, were withdrawn by the United States, then this would affect our national income. But, on the other hand, if the GSP issue was employed by the United States with the intention of censoring Indonesia, then the bureaucrats—especially our economic planners—should expeditiously change their attitude.

It is obvious that the director in charge of development and administration of work norms in the Manpower Department, Payaman Simanjuntak, is truly a courageous person among the bureaucrats. Undauntedly, he presented his view that the United States had not been fair [preceding word in English] regarding the issue on Indonesian workers. The United States, in employing its double standard practice everywhere, also imposes such a practice on Indonesia.

Even though the GSP facilities given by the United States are aimed at further enhancing our economic development, it is clear that Indonesia will not tolerate such privileges being turned into an instrument aimed at directing and determining the country's trading system or affecting the workers' conditions. If we bow to the U.S. demands, then it would be tantamount to our country accepting a new form of colonialism—that is, economic colonialism.

The unfair attitude on the part of the United States could also be seen given the fact that it constantly harps on the issue of the Indonesian workers' conditions. In fact, the labor conditions in numerous countries are more deplorable than Indonesia's. Indonesia will be victimized if such an unfair attitude is not firmly dealt with expeditiously.



The developed nations, who consider themselves super-powers, have been rallying all their strength to exert pressure on the developing countries for the sake of satisfying their desires. More often than not, the developing nations face endless difficulties due to the developed nations' ploys.

In fact, the United States is currently undergoing a major economic problem with its spiralling financial deficit and unemployment rate. In trying to overcome these problems, the United States has no other alternative but to restrict its import volume.

The United States will definitely not reduce its imports from the developed nations because of the high risk it would face. The European Economic Community and Japan's bargaining position [two preceding words in English] is becoming stronger daily and the United States is probably left with fewer options regarding its economic concerns. For instance, the United States is undoubtedly facing a tangle with the European Economic Community and Japan regarding agriculture subsidies.

The United States should not feel embarrassed to openly describe its prevailing economic situation to the world. If such a problem prevails in that country, then the country has an excuse to limit its import volume—and not to employ and include other irrelevant matters that have no connection to the prevailing economic situation in the country.

Regarding the threat to rescind the GSP facilities, and if such a move were ever carried out by the United States, then U.S. importers and investors would be the group that would bear the consequential negative effects. Has the United States ever considered such a risk? Only the United States would be in the position to answer this question.

Indonesia should make concerted efforts to decrease its dependence on other countries because if such a habit were not discarded, then it would run into difficulties later on. Regarding the issue of the GSP facilities, the time has come for Indonesia to reform its attitude. This would mean that if the GSP facilities were intended to censor the country, then Indonesia should not remain inarticulate. This is very important in upholding our nation's sovereignty and virtue.

Therefore, we should try to further solve problems pertaining to our labor conditions. This is because there are currently numerous industries that are continuously underpaying their workers. Thus, priority should be given to stemming such problems in our effort to deflect labor issues being employed by others as the factor for affronting Indonesia.

### **Philippine President Ramos Arrives**

*BK2009114593 Jakarta ANTARA in English 1017 GMT 20 Sep 93*

[Text] Jakarta, Sept. 20 (ANEX/ANTARA)—Philippine President Fidel Valdez Ramos and Mrs. Amelita Ramos arrived at Indonesia's presidential Merdeka Palace here Monday at the start of a five-day visit to Indonesia.

President Suharto and Mrs. Tien Suharto, Vice President Try Sutrisno and Mrs. Tuti Sutrisno welcomed the visiting Philippine president and his retinue on the palace's front porch.

Ramos is scheduled to have a private meeting with President Suharto on Tuesday.

Speaking before his departure at Manila Airport, Ramos said that he hoped to discuss regional security and economic cooperation with Suharto and some Indonesian ministers. "One of my missions in Indonesia shall be to promote an East Asian growth triangle encompassing the islands of Mindanao, Sulawesi, and East Malaysia," he said.

The growth triangle is a cooperation concept being implemented in various parts of Asia to pool resources to attract foreign investment.

Ramos said that he planned to take up with Suharto issues of mutual security, economic cooperation, and regional peacekeeping.

President Ramos also said that the Philippines had "much to learn" from Indonesia's economic progress and population program.

During his visit in Indonesia, Ramos is scheduled to visit PAL Co. Ltd., a state-run shipbuilding company in Surabaya, and to attend the Bunaken festival in Manado, North Sulawesi.

His retinue includes three ministers, three governors, 69 entrepreneurs, and 40 reporters.

### **Urges 1995 New Bandung Meet**

*BK2109051693 Manila PNA in English 0259 GMT 21 Sep 93*

[Text] Jakarta, 21 September (OANA/PNA)—Philippine President Fidel V. Ramos Monday night called anew for a new round of Bandung Conference in Indonesia in 1995 to be attended by heads of government in the Asia-Pacific region to tackle common problems and opportunities.

The president issued the call during the state banquet held in his honor hosted by Indonesian President Suharto at the Istana Merdeka Palace here.

The visiting Filipino leader, who is on a five-day state visit to Indonesia, had previously made the call to convene an Asia-Pacific nations conference during his state visit to South Korea last May.



Mr. Ramos suggested that the meeting be held on the occasion of the 40th anniversary of the epochal Bandung Conference in 1955.

The president proposed that the 1995 New Bandung Conference be attended by Asia-Pacific heads of government, sitting together in a group consensus, called *musyawarah*, to address totally our common problems and opportunities of regionalism and globalism.

Mr. Ramos acknowledged the statesmanship of President Suharto as the prime mover of the Nonaligned Movement (NAM), that the proposed New Bandung community be a fitting tribute to Indonesia and his Excellency's role in bringing the nations of Asia together.

According to Mr. Ramos, Indonesia and the Philippines, by virtue of geographical kinship and history, are destined to work together for the peace, stability, and well-being of our region.

#### **Austrian Minister Gives View on Rights Issue**

*BK1809124493 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 18 Sep 93*

[Excerpt] Unlike other countries, Austria does not tie its foreign assistance to the human rights issue. Speaking to Radio Republik Indonesia, the Austrian deputy foreign minister [name indistinct] said he sees no benefit in raising the human rights issue. Our correspondent reported the arrival of the Austrian deputy foreign minister as follows:

[Begin unidentified reporter recording] The Austrian deputy foreign minister said his visit to Indonesia is aimed at reiterating his country's commitment to maintain cooperation with Indonesia. He also paid a visit last year. Austria gives high priority to closer relations with Southeast Asia, especially Indonesia. The country also promised to help promote Indonesia's nonoil and nongas commodities in European markets when Austria officially becomes an EEC member next year. [end recording] [passage omitted]

#### **Technical Cooperation Signed With Austria**

*BK1709160393 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 17 Sep 93*

[Text] Indonesia and Austria signed a technical cooperation agreement in Jakarta today on technical training and technological development. The agreement was signed by Secretary General of the Industry Department, Ihaidi Irwan, and Austria's Minister for Foreign Affairs Alois Mock. The signing was witnessed by Austrian ambassador to Indonesia, Kroell.

In the cooperation agreement, the Austrian Government will provide 2.635 billion rupiah in aid to Indonesia in technical expertise, scholarships and training equipment.

Technical cooperation between Indonesia and Austria began in 1976 and up till now 25 batches of trainees from the industrial sector have been trained as technical inspectors. The forthcoming technical cooperation training program will be carried out in three phases starting from the middle of next year while technology transfer will be carried out in stages. At the initial stage, only five percent of the trainees will receive training, increasing to 90 percent at the later stages.

The technical training program is recognized and accepted by the Austrian and European governments.

#### **Construction of Nuclear Power Plant Confirmed**

*BK2009104393 Jakarta TEMPO in Indonesian 11 Sep 93 p 97*

[Excerpts] The presence of a nuclear power plant in the Muria peninsula, Central Java, has been confirmed and the announcement for its construction was made by Jali Ahimsa, director general of the National Atomic Energy Agency on Tuesday last week. The tender for the construction of the country's first nuclear plant will even be announced in 1995. This means that Indonesia will have a nuclear plant by 2003 at the latest.

"This is the final decision", said Jali Ahimsa. The sophisticated power plant is expected to require an investment of about U.S. \$10 billion or 20 trillion rupiah and will produce 1,200 megawatt of electricity.

It must be admitted that Ahimsa's statement is not only surprising but has also aroused curiosity, especially among those concerned over the construction of the plant. Doubts have been raised as to why the government has persistently wanted to build a nuclear plant despite the abundance of coal and natural gas resources. The problem is that while the nuclear plant will bring benefits, it might also cause disasters.

The nuclear plant will certainly be equipped with multiple safety systems. However, several leakage cases that occurred at the Three Mile Island plant in the United States and Chernobyl plant in Ukraine have intensified people's fears. "There are still other alternatives. Why has the government been so persistent in its plan to build a nuclear plant?" a source at the State Electricity Agency said. [passage omitted]

While public concern over the safety of the Muria plant is not surprising, some people, including Markus Wauran, a member of parliament's Commission X [Roman numeral ten] seem to have different ideas. He said the parliament had given its approval for the construction since 1988. "With the growth of electricity demand at 15 percent annually, it is high time for us to have a nuclear plant," Markus said. [passage omitted]

Even though the project appears to be proceeding smoothly up to now, the State Electricity Agency has not given its support. Artono Munandar, director general of electricity and energy development, even described as



premature Ahimsa's statement that the tender for the construction will begin in 1995. "The feasibility study will be completed in November. Therefore, we still cannot decide now," said Artono, who is also chairman of the feasibility study team for the Muria plant.

## Laos

### Talks Fail To Reach Agreement on Bridge With Thailand

BK2109020593 Bangkok THE NATION in English  
21 Sep 93 p A5

[Text] Vientiane—Thai and Laotian officials yesterday failed to reach agreement on whether the rule of "simplicity or sovereignty" should apply in defining the division line of the first bridge across the Mekong River.

Instead they have decided to leave the issue to their respective foreign ministers who will be here today for the third meeting of the Thai-Lao Joint Commission.

Thai minister Prasong Sunsiri will co-chair the two-day meeting with his Laotian counterpart Somsavat Lengsavat.

Foreign Deputy Permanent Secretary Sarot Chawanarat who headed the Thai delegation at the preparatory talks admitted it was unlikely the difference over the division line would be settled during the ministerial talks, but both sides were trying their best to find a suitable solution.

"The bridge is not only a symbolic bond of Thai-Lao relations but will be crucial to future trade and economic cooperation between the two countries," said Sarot who emphasized this during yesterday's talks.

Officials from the two countries have been deeply involved in what a Thai delegate described as a "million dollar question" for some time.

He said they were running out of time to end the row as the construction of the "Mittraphap Thai-Lao", or friendship bridge, funded by the Australian Government at a cost of S[Singapore]\$31 million is expected to be completed and the bridge opened next April.

Both sides will take responsibility for traffic control, maintenance and customs procedures that will be determined after the line division of the bridge is decided.

Laos maintains that the division line could simply be drawn at mid-point of the bridge according to international practice. However Thailand, citing the principle of sovereignty and legalities said the division line should be drawn in accordance to where the deepest water lies.

Adopting the Thai proposal would leave Lao authorities with less territorial control over the 1,174 metre long bridge as the division line would be closer to the Lao side.

According to the Siam-Franco treaties and relevant maps, the Thai-Laotian boundary line along the Mekong river straddles the deep waterway.

The location of the bridge, joining Thailand's Nong Khai and Laos' Thanalaeng, about 20 km from Vientiane, is where the river runs deepest into the Laotian side.

"As far as I am concerned, it is purely a matter of technicalities," said the Thai delegate.

The official said he was optimistic the two countries would be able to draw up a suitable solution before the bridge opens next April.

"Currently both sides are playing on logic," said the official.

However, Sarot described as satisfactory overall bilateral relations during the past two years, especially local and provincial co-operation on maintaining peace and order along the common border.

"Such co-operation has enabled the people of both sides to enjoy better living and safety," Sarot said, quoting comments from Laotian officials.

He said both sides also agreed to look into broadening their bi-lateral cooperation.

Yesterday's meeting also touched on economic co-operation, focusing on a future transportation network linking Thailand and Laos, and the two countries with other Southeast Asian neighbours, energy co-operation and a Laotian request for a bigger cut in the import tax for Laotian agricultural products.

According to Sarot, the Laotian side continued to push its proposal to develop Route 12 that will link Laos' central Khammoune province, opposite Thailand's Nakhon Phanom, with Vietnam.

Thailand is keen to help develop Route 9 that will facilitate trade and investment tourism from Mukdahan to Savanakhiet, and Vietnam's Danang deep-sea port.

"If things can not be worked out at the bilateral level, then we could discuss them in the broader context or through sub-regional co-operation," said Sarot, referring to the sub-regional transport network of the Mekong states which also includes China, Burma, Vietnam and Cambodia.

Yesterday's meeting did not reach a decision on Laos' request for further tax reductions.

### Delegation Leaves for Kuala Lumpur AIPO Congress

BK2009144393 Vientiane Vitthayou Hengsat Radio  
Network in Lao 1200 GMT 20 Sep 93

[Text] On 19 September, a delegation of the National Assembly led by Viset Savengseuksa, deputy chief of the



National Assembly's Commission for Foreign Affairs and concurrently vice chairman of the Interparliamentary Committee of the Lao People's Democratic Republic [LPDR], left for Kuala Lumpur, capital of Malaysia, to attend the 14th congress of the ASEAN Interparliamentary Organization, or AIPO, which is scheduled to be held in Kuala Lumpur from 20 to 25 September. Attending the 14th AIPO congress are parliamentary delegations from ASEAN member countries. Also attending as observers are delegations from 12 countries, including the National Assembly delegation of the LPDR.

At the congress, the AIPO delegations will discuss, in depth, political, economic, and social issues as well as organizational problem within the AIPO organization. They are also scheduled to particularly meet with each of the observer delegations.

#### **Telephone Installation in Oudomsai Planned**

*BK1909142893 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 19 Sep 93*

[Text] Equipment for the installation of a modern microwave telephone system with a frequency range of 0 to 82 has now been delivered to Oudomsai Province. Installation work will begin at the end of September to link five relay stations at Phou So, Phou Phaphing, Phou Hinch, Phou Houai Kha, and Phou Song Noi mountains. The construction is expected to be completed by late this year. Telecommunications technicians in Oudomsai Province said that after completion of the installation of the microwave telephone system, the province will be able more conveniently to establish telephone contacts with other provinces. The construction project has been given gratis aid by the French Government with the aim of extending the telephone network from Luang Prabang to Oudomsai.

### **Philippines**

#### **Ramos Delivers Speech on Departure for Indonesia**

*HK2009041593 Manila DZXL Radio Mindanao Network in Tagalog 0303 GMT 20 Sep 93*

[Speech by President Fidel V. Ramos at Manila airport on his departure for Indonesia—live, in English]

[Excerpts] [passage omitted] I expect to discuss a range of bilateral concerns of mutual security, economic cooperation and regional peacekeeping with President Suharto and his key ministers.

President Suharto is the father of Indonesia's remarkable development these past 25 years. As the senior statesman of ASEAN, he exercises a moderating influence in South-east Asian councils, plays a major role in settling the Cambodian conflict and now leads the regional effort to ease tension over rival claims to territories in the South China Sea. [passage omitted]

As close neighbors the Philippines and Indonesia have a common stake in regional security and stability. We intend to consult Indonesia more intensively and work with its leaders more closely than ever before. We intend to do this not only through bilateral activities, but also through ASEAN and a renewed ASEAN Regional Forum, or ARF, for Regional Security.

Indonesia is at a similar state of development as the Philippines, and its economic and social policies have brought it to the threshold of rapid economic growth, and so there is much to learn from these policies. In this light, we anticipate learning about Indonesia's mobilization of science and technology for industrial growth, its renowned population program, its development of transportation and communications to hold together the sprawling Indonesian archipelago, its environmental policies, the role of Islam in the secular society, and the use of the national language for national unity. At the same time our delegation will give a first-hand account of the policies and measures that we have adopted to achieve our goal of Philippines 2000.

We will meet with Indonesia's captains of industry, the heads of the great business conglomerates and the young business leaders who are making their economy throb. We hope to arrive at various business arrangements both in the Philippines and Indonesia, which we intend to nurture in the new enriching climate of regional economic cooperation for the benefit of both peoples. [passage omitted]

My party will visit the city of Manado in the province of North Sulawesi, which interacts more and more with Mindanao's business community. The mayors of five Mindanao cities and a large business delegation from that region will be joining us in Manado where we expect to witness commercial agreements with Indonesian provincial and city officials.

From Manado, my party will fly the short distance back home by way of Davao City.

Our visit then is intended to advance the relationship between close neighbors with a history of deep friendship. The new developments in the economy of the region and of the world and in the configuration of regional security demand that such a relationship be strengthened at this time. The challenges are great, the possibilities and opportunities limitless.

In this lies the great importance of this visit. [passage omitted]

#### **Visiting Libyan Diplomat on Mideast Peace Accord**

*BK1809065993 Manila PNA in English 0457 GMT 18 Sep 93*

[Text] Manila, Sept. 18 (OANA-PNA)—A Libyan diplomat today expressed skepticism that the peace agreement signed in Washington between Israel and the



Palestinian Liberation Organization (PLO) would mean a permanent solution to the Palestinian problem.

Libyan Foreign Affairs Undersecretary Ahmed Bin Khayyar said his country's feeling is that the said agreement does not by itself fulfill the aspirations of the PLO. Visiting his counterpart Foreign Affairs Undersecretary Rodolfo Severino during his two-day stay in Manila, Khayyar said the Israeli-PLO agreement is being opposed by many Palestinians.

The Libyan official's view was contrary to that of the PLO Ambassador to Manila Musa Odeh who earlier made an optimistic assessment of the Washington-backed peace agreement. Odeh predicted an eventual return of Palestinians to their land, which includes himself. He said he had been separated from his parents, two brothers, and two sisters since the outbreak of the problem with Israel.

Khayyar confirmed reports that the Moro National Liberation Front secretariat under its chairman Nur Misuari had been dismantled.

Severino explained to diplomatic reporters that Libya has to let go the MNLF [Moro National Liberation Front] secretary to prove that the country is not coddling terrorists or troublemakers. Libya has to improve its image in the international community to overcome the [word indistinct] and arms embargo levelled against her by the United States and other Western countries over the case of the Pan Am explosion in Lockerbie, Scotland.

Severino said Libya is pursuing the establishment of a joint committee with the Philippines possibly this year, Khayyar was told. However, due to other previous schedules of similar arrangements with Japan, Thailand, China, and Malaysia, that with Libya will have to wait until early next year.

The joint committee, he said, will deal mainly with the deployment of Filipino health workers in Libya as well as issues on trade and investment.

Severino said that Libya is one country where Filipino health workers are treated well in terms of salaries and benefits. There are about 25,000 Filipino workers whose number surpasses that of the Palestinians who are estimated to number only 20,000.

#### **Correction to Peace Talks Recommended**

WA2109172393

The following correction pertains to the item headlined "Talks Recommended for 10-30 Sep." published in the 16 September East Asia DAILY REPORT, page 40: Column one, make headline read..."Talks Recommended for 10-30 Oct....(correcting dates)

## **Thailand**

### **Foreign Minister Attends Joint Meeting in Burma**

BK1809152993 Bangkok Radio Thailand Network in Thai 1200 GMT 18 Sep 93

[Text] Thawiphan Tang-nga of the Public Relations Department reports from Rangoon that the meeting of the Thai-Burmese Joint Commission, which began on 13 September, has entered its last day today. The correspondent says the meeting was marked by an atmosphere of cordial friendship, and contributed to the friendly relations between the two countries. He says several agreements were scheduled for signing this afternoon, with Foreign Minister Squadron Leader Prasong Sunsiri signing on behalf of Thailand and the Burmese foreign minister on behalf of his country. This would be a major step in promoting economic and trade ties between Thailand and Burma, and will serve as a basis toward solving mutual problems.

Prior to the signing of the agreements, the Burmese Government announced its decision to free a number of Thai fishing trawlers recently seized for poaching in Burmese waters. The Burmese Ministry of Forestry Affairs would also review the policy on logging in Burmese territory—Burma had earlier announced the banning of all logging concessions in Burma. It is therefore believed the current meeting will pave the way toward solving mutual problems.

### **Agreement Signed To Open Border Points**

BK1909014893 Bangkok THE SUNDAY POST in English 19 Sep 93 p 2

[Text] Thailand and Burma have formally agreed to open three permanent checkpoints to enhance trade and cooperation between the two countries, Foreign Minister Prasong Sunsiri said upon returning from Burma yesterday. Checkpoints will be opened at Mae Sai-Thakhilek in Chiang Rai, Mae Sot-Myawaddy in Tak and Ranong-Kawthaung (Victoria Point) in Ranong.

Sqn Ldr Prasong said the agreement was made during the first meeting of the Thai-Burmese Joint Commission in Rangoon which began on Thursday and ended yesterday. At the meeting, the Burmese welcomed Thailand's proposal to build a bridge across the Moei River to facilitate trade.

"The Burmese government is not financially ready. So I asked if it was all right for local people to invest in the construction and to collect the tolls. They welcomed the idea," he said.

Other projects discussed were the use of the Salween River and a transport network linking Thailand, Burma, China and Laos, Sqn Ldr Prasong said.

"The meeting was satisfactory," he said.



### Foreign Minister Defends Visit

BK1909021293 Bangkok *THE NATION* in English  
19 Sep 93 p A4

[Text] Foreign Minister Prasong Sunsiri yesterday played down criticism of his visit to Burma last week, saying people who made the comments were not helping to solve the problems between Burma and Thailand. "I doubt whether they have ever done anything to resolve problems we have with Burma," he told reporters on his arrival back from Rangoon. Prasong's visit has been criticized by anti-Rangoon groups who point to human rights violations by the ruling military junta and the continuing persecution of ethnic minorities.

Guatemalan-born Nobel peace laureate Rigoberta Menchu has also voiced opposition to Thailand's policy of "constructive engagement" with Burma's military chiefs. After a two-day visit to the Karen refugee camps along the Thai-Burma border she said no country could have economic development while the people still were subjected to human rights abuses.

Prasong returned to Bangkok yesterday evening after a three-day official visit to Rangoon, where he co-chaired a meeting of the Thailand-Burma Joint Commission.

Fisheries and forestry issues were the dominant theme, but the talks also included the political situation in Burma. Prasong said Burmese officials told him their government was concentrating on improving the political and economic systems. "They realize they are in the eyes of the world community and that the world wants to see democracy rising in Burma," the minister said.

However, Prasong said, with more than 100 minority groups in the country, Burma first needed time to solve its internal problems. "Burma is in the process of drafting a democratic constitution and introducing a market oriented economy," he said.

Thailand has proposed that Burma participate in the Association of Southeast Asian Nations (Asean), but the Burmese government has so far not responded. Papua New Guinea, Vietnam and Laos have already received observer status to the six-nation organization and Cambodia attended the Asean meeting held last month in Singapore as a guest.

Asked if the issue of Burmese opposition leader Aung San Suu Kyi's release from house detention was raised during the meeting, the minister said he had told reporters before leaving Bangkok that this was a domestic affair.

### Laureate's Visit Not To Affect Ties

BK2009021393 Bangkok *THE NATION* in English  
20 Sep 93 p A4

[Text] NOBEL peace laureate Rigoberta Menchu's recent visit to Bangkok did not affect Thai-Burmese ties because the Rangoon government considered it a private

visit, a senior Foreign Ministry official said. The Guatemalan-born Nobel prize winner entered Thailand on a United Nations passport and needed no entry visa. If she had used her own passport, it was unlikely she would have been issued a visa, the official said.

Menchu, after visiting two Burmese refugee camps along the border, commented that there could be no economic development in a country where the people were still subjected to human rights abuses.

"The Thai government and the ministry have learned a lesson from allowing a group of Nobel prize winners to stage anti-Burma activities in Thailand early this year. Our country enjoyed the praise from the international community, but in the meantime our relations with Burma are at stake," the ministry official, who requested anonymity, said.

When the group of Nobel laureates visited Thailand earlier this year as part of a campaign for the release of Burmese opposition leader Aung San Suu Kyi, Deputy Foreign Minister Surin Phitsuwan was in Rangoon talking about border issues. Burma's foreign minister, U Ohn Gyaw, informed Surin that Burma was "slightly irritated" with the visit of the Nobel prize recipients.

Harsher criticism of Thailand appeared in Burma's only English-language newspaper, the *NEW LIGHT OF MYANMAR*, a few days after Surin's return.

The foreign ministry official said bilateral relations had subsequently reached a critical stage and were only now improving again.

"Who has to pay the price for the visit? Thailand, not any group," he said.

As a result, Menchu's visit had been repeatedly discussed among the officials concerned, he said. Thai authorities then explained to Burma that the visit was personal and the government had to allow her in because she was travelling on a UN passport. He said it had been suggested within the ministry that she should not be allowed into Thailand for fear that the improving relations with Burma would again deteriorate.

Menchu criticized Thailand's "constructive engagement" policy last week when she travelled to the Thai-Burmese border to meet ethnic minority refugees from Burma. Just as the earlier visit by the peace laureates coincided with Surin's visit, Menchu came at the same time Foreign Minister Prasong was in Rangoon for a meeting of the Thai-Burma Joint Commission. However, the official said Menchu's visit had not affected the joint commission meeting because Rangoon understood Thailand's position.

There were signs that relations between the two countries are now developing along the right track, he said. One sign was Prasong's visit to Parliament House in Rangoon to pay a courtesy call on the military junta's chairman, Gen Than Shwe, and secretary-general, Lt Gen Khin



Nyunt. Burmese authorities cancelled Surin's scheduled meeting with Burma's two leaders because of the peace campaigners' earlier visit.

On Saturday, Burmese students burned their country's flag in front of the Burmese Embassy in Bangkok and passed out leaflets denouncing the accommodation of Burma by Thailand and other Southeast Asian nations.

Burma's military junta took power in 1988, brutally putting down a nationwide pro-democracy uprising. It later allowed general elections but refused to accept the landslide victory by Suu Kyi's National League for Democracy Party.

### **Thais Prohibited From Work in Foreign Arms Plants**

*BK1909014493 Bangkok THE SUNDAY POST in English 19 Sep 93 p 2*

[Text] The Labour Skills Development Department has issued an order prohibiting job placement firms from sending Thais to work in weapons factories abroad. Department secretary-general Amphon Chunnanon said the order applied to all countries, not just Libya. However, Mrs Amphon said the order might not be 100 per cent effective as some of the workers were sent abroad without approval from her department and sometimes the workers did not know that they were to work in a weapons factory.

"In some cases, the workers know only what their jobs are but do not know if the jobs are with a weapons factory," she said.

### **Firms To Be Questioned About Workers**

*BK1909085993 Bangkok MATICHON in Thai 19 Sep 93 p 28*

[Text] According to a report from the Interior Ministry, the Overseas Thai Labor Management Committee discussed during its recent meeting the Thai private sectors' involvement in Libya's chemical weapon production program. At present, three job placement agencies—P.S. Suphachok Company Limited, W & M Company Limited, and Handle Group Company Partnership—have been sending Thai workers to Libya. The committee decided to summon executives of the three firms to a meeting to be held at the Labor Skills Development Department on 22 September for questioning. They will also be asked to end cooperation and business contacts with Libya. If they refuse to come to the meeting, police authorities and officials from the National Security Council will search their headquarters.

A Trade and Business Registration Department official revealed that two of the three firms are registered as companies limited while the other is a company partnership. According to the law, the Labor Skills Development Department must have a court order for the closure of any company partnership. Meanwhile, a National Security Council source disclosed that the Twin

Man Company, a branch of the W & M Company chain, has sent 104 Thai workers to work in Libyan chemical weapons plants without approval from the Labor Skills Development Department. The committee noted that the Twin Man Company is not one of the three job placement firms that the United States has asked to have investigated.

The Overseas Thai Labor Management Committee assigned Sinchai Riantrakun, deputy director general of the Labor Skills Development Department, to coordinate with other agencies concerned to find effective measures for the implementation of the department's announcement on the prohibition of Thai workers from working in the development, production, storage, and destruction of chemical weapons in foreign countries.

### **Minister, Army Spokesman Deny Shelling Cambodia**

*BK2009135893 Bangkok Army Television Channel 5 in Thai 1200 GMT 20 Sep 93*

[Text] The Army has asserted that there has been no shelling of Cambodian territory from Thailand. Army spokesman Colonel Phalangkun Klahan referred to the statement by Cambodian Foreign Minister Prince Norodom Sirivut which expressed dissatisfaction with his remark, which said the government in Phnom Penh was merely a Cambodian faction. The Army spokesman said it was an erroneous interpretation of his remark. He also commented on the Cambodian foreign minister's statement about the possibility that some of the 200 shells landing in Cambodia might have been fired by Thai soldiers.

[Begin Phalangkun recording] He is not a soldier and therefore might not understand. In case of fighting near the border of a country, international rules allow firing of white smoke shells which would detonate 400 meters in the air. Therefore, the conduct of the Thai Army is appropriate.

Regarding the allegation that the 200 shells which landed in Thai territory might belong to the Thai Army, I wish to point out that the price of each artillery shell is 5,000 baht and, therefore, it would cost Thailand approximately 1 million baht to fire 200 rounds. The Thai Army is not rich. It is impossible for it to do such a thing. [end recording]

In any event, in the past three days the fighting between the Khmer Rouge and Phnom Penh forces near An Ma Pass, opposite Ubon Ratchathani Province, resulted in heavy shelling on Thai territory, damaging Thai homes and government buildings.

### **Minister Pledges Government Aid to Cambodia**

*BK1909020493 Bangkok THE SUNDAY POST in English 19 Sep 93 p 2*

[Text] Thailand yesterday pledged its full cooperation in human resource development and cultural restoration in



Cambodia. Education Minister Samphan Thongsamak ended a four-day official visit to Phnom Penh and Siem Reap yesterday with a working lunch with his Cambodian counterpart Mom Chimhuy and Cambodia Culture Minister Nut Narang.

The purpose of the visit was to find out the needs and wishes of Cambodia and how Thailand could help restore the country's education system and culture as part of the Thai Government's aid to neighbouring countries.

Mr Samphan told the BANGKOK POST that to help Cambodia, the Thai Government wants to find out the opinions and feelings of the Cambodian side. Sources at the lunch said Mr Samphan told the two Cambodian ministers that Thailand is ready for educational exchanges at all levels, including vocational training and continuing education. "Mr Samphan asked the Cambodians to draft a proposal, to which Thailand is ready to respond positively," the sources said.

The minister also said the Cambodian Supreme Patriarch can visit Thailand if the Cambodian side agrees, sources said.

Mr Mom Chimhuy said after the lunch that Cambodia needs international assistance for human resource development, which is a priority for its reconstruction. Mr Nut Narang told Mr Samphan that Cambodia will accept an invitation made by the Thai minister to send a troupe of court musicians to perform in Bangkok. A date has yet to be fixed, but the musicians are expected to visit Bangkok in December.

#### **Cambodia Province Governor Said Seeking Citizenship**

*BK1909021093 Bangkok THE SUNDAY POST in English 19 Sep 93 p 1*

[Text] The governor of Cambodia's Koh Kong Province is one of 56 Cambodians with Thai origins who have asked Interior Minister Chawalit Yongchaiyut to grant them Thai nationality, an Interior source said.

The source said the request was forwarded to Gen Chawalit through a "special channel" in Trat Province. Such requests are usually screened by a ministry committee chaired by deputy permanent secretary for security affairs Chaiwat Hutacharoen.

The names of Koh Kong governor Rung Phlamkesan and his wife were on top of the list of those making the request.

Mr Chaiwat, who saw the list before it was sent to Gen Chawalit, ordered Trat provincial authorities to investigate how the list was made and sent to the Interior Minister. It is believed the list was forwarded by one of Gen Chawalit's aides, the source said. The Koh Kong governor will soon lose his post and wants to emigrate to Thailand.

Under a Cabinet resolution, the Interior Ministry is to grant Thai nationality to some 5,000 Cambodians with Thai origins who migrated to Trat before 1977. Mr Chaiwat found that the 56 names on the list sent to Gen Chawalit, including the Koh Kong governor's, were not among these.

#### **Ministers Order Execution of Agreements With U.S.**

*BK2109012993 Bangkok THE NATION in English 21 Sep 93 pp B1, B2*

[Text] Economic ministers yesterday asked related ministries to continue executing agreements the country made with the United States to settle trade disputes over intellectual property rights and other issues. The economic ministers acknowledged that more must be done to end the trade conflicts between Bangkok and Washington, DC, which have lasted for more than eight years.

The US Trade Representative (USTR) announced on Sept 8 that it had moved Thailand from the US Priority Foreign Country (PFC) watch list to the less serious Priority Watch List (PWL). As Thailand has been removed from the PFC list, the country is no longer subject to trade sanctions without further warning under Section 301 of the US trade law. But the USTR said his office would continue to observe Thailand which has tolerated massive intellectual property rights violations and patent law protection below international standards.

The trade representative will conduct a further evaluation, possibly removing Thailand from the PWL as well by January of next year. The economic ministers have therefore asked the relevant ministries to follow-up on that which Thailand has agreed to do.

The Finance Ministry will be responsible for the reduction of the import tariffs on exposed cinematographic film and related products agreed to by the Cabinet on Aug 24. The Cabinet agreed to reduce the tariff on exposed movie film from Bt [baht] 30 per metre to Bt 10 per metre.

The Public Health Ministry will be responsible for the extension of the safety monitoring programme (SMP) to five years—giving exclusive marketing rights to drug companies holding patents or licences for the production of pharmaceuticals for that period—by Oct 1. In order to qualify for exclusive marketing rights for five years under the SMP, the drugs must have been registered in some country on or after Jan 1, 1986.

#### **Disadvantage Cited in Aviation Talks With U.S.**

*BK2009102393 Bangkok SIAM POST in Thai 20 Sep 93 pp 1, 22*

[Text] Communications Minister Colonel Winai Somphong stated during a recent interview that the ministry was seeking to renew talks with the United States on aviation rights. On this, a source in the aviation sector noted that it would negatively affect Thailand's domestic



airline and the interests of other Asian countries. Should the United States get air traffic rights from Thailand, it would be entitled to the fifth freedom, or the freedom that allows carriers to pick up passengers along the routes to the final destinations, especially passengers in Japan, Korea, and Taiwan flying to the United States or to Thailand.

Under a common agreement, any country with an aviation accord concluded with Thailand and Japan can enjoy the fifth freedom based on the principle of passenger sharing—40 percent for Thailand and for Japan, while the rest will go to other airlines with air traffic rights agreements with both countries.

For example when the United States still had an aviation pact with Thailand, Thailand got only a 40 percent share of passengers, with the rest going to the United States. Thailand and Japan got only a small share because of higher competition in the U.S. aviation markets, and passengers under the fifth freedom make up a major percentage for the airlines of the United States since there are not very many passengers flying from both ends of the route when compared with the airlines flying from Japan, Korea, and Taiwan with destinations in Thailand or the United States.

Although few passengers board the U.S. carriers at the originating point, the airlines can pick up as many as 40 to 50 percent of passengers along the route, and this is worthwhile for opening up a new route. This was the reason why Thailand had been trying to terminate its air agreement with the United States, and its effort was successful during the government of Anan Panyarachun. However, later on the United States tried to pressure Thailand to include the issue of aviation rights in the framework of the Thai-U.S. trade talks involving Section 301, trade sanctions, and the priority foreign country list. However, Thailand managed to avoid discussion about the aviation pact—the Communications Ministry indicated that it was not ready for such talks.

Thailand now has an advantage over the United States with the absence of the aviation pact. Should Thailand agree to open talks, Thailand would only stand to lose because, once the United States gets the air traffic rights, it will be able to pick up passengers in third countries to take to Thailand. This will affect Thailand's domestic airline, Thai Airways, which will face greater losses.

Japan, Korea, and Taiwan are also trying to terminate air pacts with the United States, but they cannot because of their trade surpluses with the United States. The three countries also benefit from the fact that Thailand presently has no aviation pact with the United States.

Airlines that are members of the OAA [Orient Airlines Association] are discussing and finding solutions to their problems. They agreed that Thailand should not seek to renew talks with the United States since that would affect airlines that are members of the OAA, too.

Air operations between Thailand and the United States exist now on a temporary basis, such as flight operations during winter and summer, with no more than 38 weekly flights to Thailand. As for winter flight operations, the United States has requested 32 to 33 weekly flights to Thailand for its Northwest, Delta, and United airlines.

### **Japan Grants Loan for Infrastructure Development**

*BK2109023193 Bangkok THE NATION in English  
21 Sep 93 p B3*

[Text] The Finance Ministry has signed a Bt [baht] 25.5 billion loan agreement from the Overseas Economic Cooperation Fund (OECF) of Japan. The Japanese ambassador, Hiroaki Fujii, said at the signing that Tokyo will continue to help Thailand's development. He said the second stage expressway dispute would not affect Japanese financial aid to Thailand.

Aran Thammano, finance permanent secretary, said the contract for Y [yen] 104.462 billion was signed by himself and the Japanese ambassador. It is the 18th loan from the OECF and the largest amount so far.

Aran said the Bt25.5 billion fund will be allocated to state enterprises for investment in infrastructural and environment-related projects. Terms and conditions of the loan include an interest rate of three per cent per annum, a repayment period of 25 years, including a seven year grace period, and no requirement to buy Japanese products for investments from the loan. Aran said the contract itself will be signed with the Japanese government on Fujii said the Japanese government will continue to extend loans to Thailand, especially for infrastructure, rural industry and environment.

## **Vietnam**

### **Government Renews Protest on PRC Oil Exploration**

*BK2009164293 Hong Kong AFP in English 1049 GMT  
20 Sep 93*

[Text] Hanoi, Sept 20 (AFP)—Hanoi renewed its call Monday for the withdrawal of a Chinese oil exploration vessel allegedly violating Vietnamese territorial waters in the Tonkin Gulf, indicating that earlier protests had gone unheeded. A Foreign Ministry spokesman said the Nam Hai 05 had been operating since August in waters well within Vietnam's continental shelf "just 55.5 nautical miles from its baseline."

The coordinates place the vessel about midway between central Vietnam's Quang Tri Province and China's Hainan island.

"We have asked China to end these activities and, recently, we once again called China's attention to this matter," the spokesman said.



The incident is the virtual replay of a dispute one year ago when Vietnam demanded the immediate withdrawal of two Chinese oil exploration vessels from disputed waters of the Tonkin Gulf. Those ships disappeared shortly before Chinese Prime Minister Li Peng visited Hanoi in late November. This November, Vietnamese President Le Duc Anh is scheduled to visit Beijing.

The Foreign Ministry spokesman recalled that when China and Vietnam normalized relations in 1991, they agreed to refrain from any activities that could make existing disputes more complicated.

This policy was reaffirmed during recent negotiations in Beijing on territorial disputes and should be respected for the sake of "peace and stability in the region," he said. "Our position is constant and we will hold to it patiently," the spokesman added.

Economic sparring has replaced border clashes since Vietnam and China normalized relations, with Beijing appearing to use oil exploration vessels and the leasing of oil concessions to strengthen its claim to disputed areas of the South China Sea.

Vietnam, for its part, recently introduced tax breaks for maritime products companies setting up in the Spratly Islands, which are also claimed in whole or part by China, Taiwan, Malaysia, the Philippines and Brunei.

#### **Sources Say IMF To Unfreeze Loans in Oct**

*OW2109123693 Tokyo KYODO in English 1210 GMT 21 Sep 93*

[Text] Tokyo, Sept. 21 KYODO—The International Monetary Fund (IMF) is prepared to unfreeze loans to Vietnam and Cambodia in early October, international financial sources reported Tuesday. The sources said the decision will follow a settlement of the countries' debts to the IMF at a creditors' meeting to be held in Washington later this month.

The creditor nations, including Japan, France and Canada, will offer bridging loans and grants to the two Indochinese states at their meetings in early October, the sources said. They said the IMF will initially provide Vietnam and Cambodia with loans of about 236 million dollars and about 180 million dollars respectively.

The IMF suspended its aid to Vietnam after the end of the Vietnam War. The country has been barred from aid by other institutions. Vietnam's outstanding debts to the IMF amount to 140 million dollars.

U.S. President Bill Clinton said in July Washington will not oppose aid to Vietnam by other countries despite the outstanding issue involving American servicemen still missing from the Vietnam War.

The sources said resumption of aid to Vietnam will be formally endorsed at the IMF's executive meeting set for October 6. The IMF also will decide on resuming aid to

Cambodia at its meeting on October 4, they said. Cambodia owes the IMF 51 million dollars, they said.

#### **Continued 'Disappointment' Over Trade Embargo**

*BK2009124293 Hanoi Voice of Vietnam in English 1000 GMT 20 Sep 93*

[Station commentary]

[Text] The U.S. President's decision to extend the trade embargo against Vietnam continues to cause disappointment among the American business people. Here is our radio comment:

Companies which have visited and begun operations in Vietnam were disappointed by the recent decision of the United States President. The Vietnamese Government has reserved for some American service companies several fields of cooperation. However, in this situation, they do not know when this cooperation can be carried out. A director of such a company, Mr. (Craig Kraft) said from early this year American companies had invested money, time, and efforts in Vietnam because they pinned their hope on September 14th.

Though some restrictions of the trade embargo have been eased, this is of no significance to medium companies of America. Only big companies can profit from the decisions to use capital of international financial institutions to invest in Vietnam.

In general, American businessmen maintain that as long as the embargo is in force, American companies suffer most. Mr. Robinson, chairman of the United States-Vietnam Chamber of Commerce which consists of 60 companies and lawyers' groups said the prolongation of the trade embargo against Vietnam looks like a punishment on American businesses and workers. The embargo is unjust because it does not allow Vietnam to export its goods to the United States. Mr. Robinson recalled that after World War II, the United States did not hesitate to provide economic assistance to the Federal Republic of Germany, Italy, and Japan though 78,000 GI's were reported missing in the war.

Many United States Government officials reaffirm that Vietnam has actively cooperated with the United States in settling the MIA or missing-in-action issue. They hold that there is no reasons for the extension of the embargo. THE NEW YORK TIMES newspaper said on Friday that the U.S. trade embargo is ineffective, given the fact that many foreign companies are investing in Vietnam. They are replacing American companies in Vietnam's market.

#### **Seminar With U.S. on Communication Projects**

*BK1909145493 Hanoi VNA in English 1358 GMT 19 Sep 93*

[Text] Hanoi VNA Sept 19—A seminar on supervision of the quality of construction of communication projects



has been held here by the Ministry of Transport and Communication and American company Wilbur Smith Associates (WSA).

The 5-day seminar was presided over by Le Ngoc Hoan, deputy minister of transport and communication, and Thomas Wright, vice chairman of WSA.

Speaking at the seminar, experts from WSA dwelt on bidding methods, supervision and management of the quality of the construction of communication projects. WSA is an American consultative company on architecture, construction, planning and economy.

This is the first seminar held between Vietnam and an American consultative company on communication, which is one of the fields Vietnam is interested in.

#### **Air Services Agreement Signed With Britain**

*BK2009070593 Hanoi VNA in English 0619 GMT 20 Sep 93*

[Text] Hanoi VNA Sept.20—Vietnam and Britain has initialled an air service agreement to allow the two national airlines to establish regular flights between the two countries.

The agreement, signed in Hanoi last Thursday, stipulates that Vietnam Airlines will fly to three destinations in Britain, and British Airways to three places in Vietnam.

The document with 18 points and an appendix deals with flight structure, establishes and readjusts volumes of cargo flown between Vietnam and Britain.

It also stipulates that the two governments will sign subsequent agreements granting some commercial privileges on air services.

#### **Leaders Receive Thai Supreme Court Delegation**

*BK1809142793 Hanoi VNA in English 1421 GMT 18 Sep 93*

[Text] Hanoi VNA Sept 18—Chairman of the National Assembly Nong Duc Manh and Prime Minister Vo Van Kiet received here today on separate occasions a visiting delegation of the Supreme Court of the Kingdom of Thailand led by its President Praman Chansu.

President of the Supreme People's Court of Vietnam Pham Hung and Thai Ambassador to Vietnam Bunthan Manklang were also present at these events.

Speaking to the Thai guests, Chairman Nong Duc Manh said that their visit will open a new period of the cooperation and exchange of experience in the judicial work between the two countries. He expressed his hope that in the coming time, the relations between the two national assemblies will be expanded, conforming to the foreign policy of Vietnam to be friend will all nations in the world.

Chairman Nong Duc Manh wished the delegation fine success in the visit which aims to promote the relations between the two states, and national assemblies, contributing to building Southeast Asia a peaceful, stable, friendly, cooperative and developed region.

For his part Prime Minister Vo Van Kiet, on behalf of the government and people of Vietnam, said that the visit was a good opportunity for the Thai guests to acquaint themselves with the situation in Vietnam and exchange experience with their Vietnamese colleagues.

The prime minister wished the Thai people still greater achievements in the construction and development of a prosperous and happy country.

In reply, the Thai head delegate stressed that the relations between Vietnam and Thailand had seen many changes for the better. Therefore, he said, Thailand wishes for more research and experience exchanges in the field of laws in the interest of each country.

#### **Vice Premier Heads Delegation to Finland 12-15 Sep**

*BK1809072793 Hanoi VNA in English 0639 GMT 18 Sep 93*

[Text] Hanoi VNA Sept. 18—A delegation of the Vietnamese Government led by Vice Prime Minister Tran Duc Luong paid an official friendship visit to Finland from Sept. 12-15 as guest of the Finnish Government.

He was accompanied by senior officials from the State Planning Commission, the Foreign Ministry, the Ministry of Transport and Communications, the Ministry of Science, Technology and Environment and the Post General Department and a number of businessmen.

During his stay there, Vice Prime Minister Tran Duc Luong exchanged views with Finnish Prime Minister E. Aho, Deputy Prime Minister and Minister of Foreign Trade Pertti Salolainen, Foreign Minister Heikki Haavisto and Minister of International Cooperation and Development Toimi Kankaanniemi. At these meetings, the two sides reaffirmed their aspiration to continue broadening and developing the traditional relations between the two countries, especially in commerce and investment. On this occasion, Vice Prime Minister Luong and his Finnish counterpart, Mr Salolainen, signed agreement on investment promotion and guarantee. Minister of International Cooperation and Development Toimi Kankaanniemi informed Vice P.M. Luong of the Finnish Government decision to grant six million Finnish markka as aid to help Vietnam pay debts to IMF.

The Vietnamese leader met with a number of Finnish financial and credit organizations and the Finnish Association of Commerce. These organizations expressed their desire to cooperate with Vietnamese partners in order to promote the import and export between the two



countries. Mr. Luong called at some companies and major industrial establishments.

### **State Planning Delegation Visits South Korea**

*BK1809144793 Hanoi VNA in English 1424 GMT 18 Sep 93*

[Text] Hanoi VNA Sept. 18—A delegation of the State Planning Commission led by its Chairman Do Quoc Sam paid a working visit to South Korea from Sept. 13-17 at the invitation of Deputy Prime Minister and Economic Planning Board Yi Kyong-sik [title as received].

While there, Chairman Do Quoc Sam exchanged views with Deputy Prime Minister Yi Kyong-sik, officials of the Economic Planning Board and other concerned agencies on cooperation between the two economic planning institutions as well as on the establishment of a mechanism and forms of cooperation between the two countries in order to enhance the effectiveness of their economic cooperation.

In a meeting with some 250 businessmen, Chairman Do Quoc Sam introduced Vietnam's economic situation and external economic policies, and cleared up questions on economic cooperation and investment in Vietnam.

The delegation called at a number of industrial establishments in South Korea.

### **Government To Allow Foreign Honorary Consuls**

*BK1909071893 Hanoi Voice of Vietnam in English 1000 GMT 18 Sep 93*

[Text] The government has decided that foreign countries can place honorary consuls in Vietnam. The decision, made public on 30 August, stipulated that foreign honorary consuls would be a person who is not a public employee and not on the pay role of any governments. Such a person should be delegated by the assigning countries and accepted by the Vietnamese Government to perform consular function while engaging in professional or commercial activities in Vietnam.

### **Vu Oanh Attends Seminar on H'mong Culture**

*BK1809094893 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Sep 93*

[Text] On 16-17 September, the Hoa Binh Province People's Committee, the Vietnam Ethnic Culture Association, and the Cultural Fund of the Ministry of Culture and Information held a national seminar on H'mong culture in Hoa Binh Province.

Comrade Vu Oanh, member of the party Political Bureau and secretary of the party Central Committee, attended the seminar. Twenty reports presented at the seminar by researchers and social workers suggested many measures to preserve and develop the precious cultural heritage of H'mong people by implementing the

socioeconomic strategy until the year 2000. Speaking at the seminar, Comrade Vu Oanh confirmed that H'mong culture is a part of Vietnamese culture. The party committees and authorities should carry out research and compilation work to preserve and develop H'mong culture to better serve the renovation undertaking of our party and state.

### **Dao Dinh Luyen Attends Military Academy Ceremony**

*BK2009101193 Hanoi Vietnam Television Network in Vietnamese 1300 GMT 19 Sep 93*

[Text] The Military Academy held a ceremony recently to begin its 1993-94 academic year. Attending the function was Senior Lieutenant General Dao Dinh Luyen, deputy minister of defense and chief of general staff of the Vietnam People's Army; and representatives of various military units and national defense agencies. In addition to the regular training programs, the academy this year will organize post-graduate courses on military science and other specialized fields. As a result, the number of students is on the increase, thanks to the great efforts of the cadres, lecturers, teachers, and personnel of the academy. Speaking at the ceremony, Sr. Lt. Gen. Dao Dinh Luyen urged the cadres, lecturers, and students of the academy to take the lead in renovating their teaching and learning methods, to strive to improve the training program, to enhance their political background, and to strengthen management and combat supervision work.

### **Former Housing Official Charged in Smuggling Case**

*BK1809075793 Hong Kong AFP in English 0634 GMT 18 Sep 93*

[Text] Hanoi, Sept 18 (AFP)—The former head of Ho Chi Minh City's Housing and Land Management Department has been charged with accepting bribes in a widening corruption scandal involving international gold smuggling, official press reports said Saturday. Le Thanh Hai is the most senior official implicated in the scandal after Phan Anh Tuan, the former head of the local Customs Department, who was sentenced to life in prison last month for protecting a syndicate smuggling gold out of Vietnam through Tan Son Nhut airport.

During Tuan's trial, a witness testified that Hai had accepted one kilogram (2.2 pounds) of gold and a new motorbike from Tuan to ratify his illegal purchase of a villa, the reports said.

Several customs agents, policemen and Hong Kong businessmen have been sentenced to prison terms since the start of the year in connection with the discovery of the ring to smuggle gold from Ho Chi Minh City to Singapore.

Hong Kong businessman Henry Long Tai and his Vietnamese wife Truong Thi Muc received life sentences and



were fined some 11 million dollars when they were tried alongside Tuan on August 4 to 7, the reports said.

Among the customs officials implicated in the scandal is the deputy head of the anti-smuggling team, who was assigned to shadow a corrupt airport policeman but instead allegedly blackmailed him.

The Vietnamese Government is waging a well-publicized campaign against corruption and smuggling, but officials acknowledge that both keep increasing as the economy is liberalized.

#### **Investment Committee Chairman Briefs Reporters**

*BK1909061493 Hanoi VNA in English 0607 GMT 19 Sep 93*

[Text] Hanoi VNA Sept. 19—'Our objective is to attract 13-14 billion USD [U.S. dollars] of foreign investment by the year 2000', said Minister Dau Ngoc Xuan, chairman of the State Committee for Cooperation and Investment, in a meeting with the press in Hanoi.

Mr Dau Ngoc Xuan said that foreign invested capital will be used to improve infrastructures, create new production capabilities in the direction of industrialization, job generation and increase of exports and budget revenues, to assure continual growth of GDP.

Mr Xuan said that since the issue of the Foreign Investment Law in December 1987 Vietnam has granted licences to companies from 40 foreign countries who are investing in 750 projects with a total capital of more than 6.5 billion USD. Of this, 1.5 billion USD have actually become operational mostly for projects licensed before 1992.

According to Mr. Xuan the licensed projects have brought advanced technologies in different fields to Vietnam and helped Vietnamese [word indistinct] and workers learn more about marketing or international regulations on business operations. 'With assistance from international organisations and governments and individuals from foreign countries, investment operations have assumed an ever larger scale. Dozens of seminars, conferences and fairs have been held in different countries and thousands of foreign delegations have come to Vietnam to inquire into the possibilities of investment in Vietnam'.

Mr. Xuan said that more than 90 laws and sub-laws have been promulgated since which have provided the essential [word indistinct] basis for foreign investment in Vietnam. He conceded however that the absence of a number of laws relating to labour, commerce, bankruptcy, real estate business has caused not a few obstacles to the implementation of the law on foreign investment.

#### **First Stage of Economic Development Plan Adopted**

*BK2109065593 Hanoi VNA in English 0647 GMT 21 Sep 93*

[Text] Hanoi VNA Sept.21—The Vietnam Government has adopted stage 1 of the master plan for key economic development areas in south Vietnam.

Under the socio-economic development strategy until the year 2000, Vietnam will have three key economic areas in the whole country. In the south these are Ho Chi Minh City, Thu Dau Mot Township, Thuan An District (Song Be), Bien Hoa City and Long Thanh District (Dong Nai), Ba Ria-Vung Tau Province. The peripheral areas include localities having direct relationship with the nucleus area in terms of technical infrastructure and population distribution. This area will also serve as a reserve development zone to extend up to Tan An Township of Long An Province to the west and Phac Thiet Province to the north. Both areas will comprise 636 communes and wards or township covering 1241 sq km with some 7,850,000 population. In 1992, the government assigned Ho Chi Minh City's Institute of Economics with the task of setting up a program commission to formulate the master plan for key economic development of areas in the south with Candidate Doctor Dang Ngoc Huu as chairman.

According to the first blueprint, the Ho Chi Minh City development area will see the construction of hi-tech factories. The Bien Hoa area will see a series of industrial complexes covering a total of 15,000 hectares. In the Ba Ria-Vung Tau area there will be an energy industry complex, an export processing complex and an oil and gas service complex. In Con Dao and Phu Qui there will be a number of service facilities for oil and gas prospecting and exploitation. It is hoped that revenues for these services will account for 55 percent of the area's GDP by the year 2010.

The main orientation of the master plan is to rapidly upgrade the infrastructure works to provide a 'framework' for the new period, to lay stress on export-oriented industries, to strongly develop science and technology and step up the training of a qualified work force. The plan also calls for special attention to the protection of the environment.

#### **Families in Thanh Hoa Province Obtain Loans**

*BK1909085193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Sep 93*

[Text] According to a Voice of Vietnam correspondent, a two-day conference was held from 17-18 September in Thanh Hoa Province to review the results of two years of implementing the prime minister's Directive 202 and Decree 14 on granting loans to households to invest in production. Thanh Hoa was the first province to make such a move.



Over the past two years, the banking service in Thanh Hoa has granted some 300 billion dong in loans to nearly 300,000 households to invest in production activities. More and more families have applied for loans. In the first six months of 1993 alone, the Thanh Hoa banking service has granted nearly 200 billion dong in loans, or an increase of 1.7 percent compared with the first half and the whole of 1992 combined.

Along with applying different forms of loans and upholding the sense of responsibility toward the management of loans, the banking service in Thanh Hoa has classified households into different categories and has directed and assisted them in formulating production and business investment plans to guarantee the best results. Thanks to bank loans, many families have accelerated production and business activities and have accelerated the household economy, thus contributing to effecting changes for the better in the local household and rural economies.

### **Plans Outlined To Mark Dien Bien Phu Victory**

*BK2109134193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Sep 93*

[Text] According to an announcement of the Government Office, the prime minister recently decided on the celebration of the 40th anniversary of the victory at Dien Bien Phu which will occur on 7 May 1994. The announcement reveals that the prime minister has assigned various sectors specific tasks to be carried out from now until the anniversary in a solemn, practical, and economical fashion:

- The Ministry of Culture and Information and the Lai Chau People's Committee are to organize mobile information exhibitions, a northwestern ethnic folk cultural and sports festival, and northern provinces' song and dance performances.
- The Ministry of National Defense is to repair and refurbish the Dien Bien Museum.
- The Ministry of Labor, War Invalids, and Social Affairs is to urgently proceed with renovating and restoring various veterans' cemeteries in Dien Bien.
- The General Department of Gymnastics and Sports is to organize a bicycle race called Return to Dien Bien.
- The Ministry of Transportation and Communication is to repair and upgrade the Hanoi-Dien Bien highway, especially the segment from the Thuan Chau-Son La area to Dien Bien.

### **Article Views Army's Success in Foreign Business**

*BK2109030993 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 21 Sep 93 p 1*

[By Suphaphon Kanwerayotin in Hanoi]

[Text] The formidable People's Army of Vietnam [PAVN] that defeated the French and the Americans is testing its entrepreneurial acumen in Vietnam's new battle of business. Already it has earned a reputation among foreigners as an extra-cautious but highly reliable and uncorrupted business partner.

At one time the PAVN was considered the world's third largest army. Today it is lobbying hard to have its own bank established. It also is pressing the Government for an exemption from profit taxes, to strengthen its current expansion strategy. The PAVN's tentacles reach to some 300 commercial ventures throughout the country, including consumer goods production. It is seeking foreign capital and technology to help modernise its production of garments, underwear, and condoms. The Army is involved in gemstone prospecting in Yen Bai province, seafood culture, and fishing (an adjunct to its duties defending Vietnam's territorial waters). It reportedly has given up logging.

It has seriously courted the Thai army to become a partner in existing ventures or to develop new businesses—such as a sports club—jointly, according to Thai sources.

"The Army is engaged in businesses for the sake of national economic development," says Maj Gen Tran Trong Toan, vice chairman of the General Department of Defence Industry and Economy. The Army has become financially self-sufficient since 1990, and now contributes a "modest amount" of its earnings to state coffers, Maj Gen Toan told INSIDE INDOCHINA. The Army is intent on expanding in six fields in which it is already active: construction (housing, offices, and hotels); mining (coal in Quang Ninh Province and gems in Yen Bai Province) and maritime activities such as fishing and shipping.

The Army also holds a monopoly on helicopter flight services for foreign oil firms; manufactures spare parts and pillars for the north-south power line project (jointly with the ministries of heavy industry and energy); and produces electric fans, plastic bags, paint, and bicycles.

In Hanoi, the Army owns the largest parcels of land and runs a successful hotel (the Army Guesthouse), called by some "Hanoi's Oriental". In Ho Chi Minh City it is described as an aggressive player in real estate development, teaming up with investors from Hong Kong.

"They're the hardest to deal with, the most cautious," says Australian businessman Paul Fairhead, whose company Prieure Pty Ltd has been negotiating since 1991 to develop the Army's Hanoi property. "But there's no corruption, no different divisions within an organisation, and you're dealing with just one voice. The Defence Ministry is the best partner foreign investors can have in Vietnam."

The Army is not immune to the foreign investment fever gripping the country. To date it holds 16 joint venture licences with foreign business interests, including one



featuring Korean technology to make condoms similar to the Japanese brand "Skin-Less Skin". Ten other joint ventures are in the pipeline, according to Maj Gen Toan.

Among the 16 joint ventures in operation are a 33-storey hotel development in Ho Chi Minh City with a Hong Kong group, and a housing estate in a Ho Chi Minh City suburb, with a Dutch partner.

In the central port city of Danang, the Army has a US\$24 million joint venture with an Italian firm to produce containers and another with a Hong Kong-based entity to build a ship-breaking yard for steel production.

Among the 10 joint ventures awaiting government licences are a garment factory with Hua Thai Co in Ho Chi Minh City, and an international-standard hospital in Hanoi, to be modified from the current Army Hospital Number 128.

"The list is very long," says Maj Gen Toan. "The Army is very keen on joint ventures with foreign partners, so that we can have the capital, and market for our products."

In defending its bank proposal the Army told the State Bank that its current business expansion drive requires

its own banking arm to mobilise and distribute resources primarily to Army enterprises needing capital.

"We heard that the Thai Military Bank is doing very well, and we may exchange experiences. We need our own bank to ensure prompt, sufficient, and timely funding of our current businesses all over the country," says Maj Gen Toan. The Army's bank proposal also envisioned a role for trade in gold and precious stones. The Army hopes the bank can get government approval and begin operation by the end of this year.

"Many of the Army enterprises are short of funds, whereas many Vietnamese people have money but don't know where to put it."

At the same time, the Army is seeking a tax break package from the Government, as the 30-50 per cent taxes it is paying on profit and turnover constrain expansion. Maj Gen Toan exudes confidence in this new policy of the PAVN, and in the army's business competitiveness.

"We will continue expanding our businesses, focusing on profitability," he says. "We enjoy the strength of a well-disciplined work force that our foreign partners highly appreciate. The Army can easily adapt to any practical situation."



## Australia

### UK Foreign Secretary Says Republic Issue Not To Harm Ties

*BK1509033893 Melbourne Radio Australia in English  
0100 GMT 15 Sep 93*

[Text] Australia has been reassured that becoming a republic won't harm its relations with Britain. British Foreign Secretary Douglas Hurd, who is visiting Australia, says the present debate is a matter for Australians. He said the move toward closer ties with Asia is understandable. Mr. Hurd said Australia could become a platform for investment in Asia as Britain has for the European Community.

[Begin Hurd recording] We are two modern countries and whatever you decide at the end of the day—about monarchy or republic—doesn't affect the fact that Britain and Australia have a shared interest in working together. We talked about trade and investment and the way investment is flowing very strongly. But you have also got, for instance, you have got huge numbers of people who are actually involved. [end recording]

### Foreign Minister on Danger to Blair House Trade Agreement

*BK2009104793 Melbourne Radio Australia in English  
0500 GMT 20 Sep 93*

[Text] Australia's foreign affairs minister, Gareth Evans, has warned of the serious consequences to world trade if Europe moves against the Blair House Agreement struck with the United States last year. European Community foreign and agriculture ministers will hold a crucial meeting in the next 24 hours to vote on the agreement, with France and Ireland signaling opposition.

In Canberra, Foreign Minister Evans said anything that put back the time table for completing the Uruguay Round would be a very unhappy outcome.

[Begin Evans recording] It would be very serious indeed if the Blair House Agreement were to be unraveled as a result of this or any forthcoming meeting occurring in Europe. We've been very actively making our views known about that, as has the United States and those other Cairnes Group countries around the world. I think the consequences are well appreciated in Europe; we just hope very much that the French in particular will understand that this is not a time for narrowly focused self-interest, it is a time for everyone looking at their larger national interest and indeed the global interest in giving the global economy the \$200 billion (?kick-a-low) that it so badly needs. [end recording]

### Hayden Receives Jordanian Envoy, Message From Crown Prince

*JN1809121493 Amman Radio Jordan in English 1100  
GMT 18 Sep 93*

[Text] Australian Governor General Bill Hayden has received in Canberra the speaker of the [Jordanian] Upper House of Parliament, Ahmad al-Lawzi. Mr. al-Lawzi delivered a message from His Royal Highness Crown Prince Hasan on friendly relations between Jordan and Australia and issues of joint interest. For his part, Mr. Hayden paid tribute to His Majesty King Husayn's efforts towards establishing a just peace in the Middle East. He also underlined the achievements Jordan has undertaken towards democracy, social, and economic development.

## Solomon Islands

### Prime Minister on Opening High Commission in Australia

*BK1809133093 Melbourne Radio Australia in English  
1100 GMT 18 Sep 93*

[Text] Solomon Islands has told Australia it intends to open a high commission in Canberra by June next year. Erina Reddan reports from the Solomon Islands' capital, Honiara.

[Begin Reddan recording] Solomon Islands Acting Prime Minister (Francis Saimala) met with Australia's Minister for Pacific Island Affairs Gordon Bilney in a 40-minute meeting at the start of Mr. Bilney's three-day visit. Mr. (Saimala) said Solomon Islands' upgrading of its diplomatic representation in Australia is part of his government's commitment to reestablishing good relations. In past year there's been some strain, particularly because of the perception that Australia has helped Papua New Guinea wage a war in Bougainville which has spilt over onto Solomons territory. Solomon Islands is undertaking a major economic and social reform program which calls for severe belt tightening. Mr. (Saimala) said at this stage he hadn't asked Australia for specific help. [end recording]

### Prime Minister on Improving Ties

*BK1909131693 Melbourne Radio Australia in English  
1100 GMT 19 Sep 93*

[Text] Solomon Islands says relations with Australia are the best they have ever been. Acting Prime Minister Francis (Saimala) made the comment during a three-day visit by Australia's Minister for Pacific Island Affairs Gordon Bilney. South Pacific correspondent Erina Reddan reports.

[Begin Reddan recording] When the newly elected Solomon Islands Government took office, it pledged to improve relations with its neighbors. Relations soured with Australia over accusations that Australia was involved in the Bougainville conflict, which has spilt



across Solomon's northern border. Both sides agreed that the new government has been successful in its push for closer relations. Mr. Bilney says Australia stands ready to help the new government in a [word indistinct] economic and social reform program, which includes slashing the public service, the largest employer in the country. [end recording]

### Vanuatu

#### Acting Premier Accuses News Association of 'Interference'

*BK1909043093 Hong Kong AFP in English 0401 GMT 19 Sep 93*

[Text] Port Vila, Sept 19 (AFP)—The PACIFIC ISLAND NEWS ASSOCIATION (PINA) has been accused by acting prime minister Sethy Regenvanu of interfering in Vanuatu's internal affairs after it complained about an apparent attempt to silence the island's independent newspaper.

Regenvanu, who is also the justice minister, said in a press release reported by the government radio station Saturday that a statement by PINA director Monica Miller amounted to "interference in Vanuatu's internal affairs." PINA, he said, had "no mandate or right to act as an international or regional policing (body) in the Vanuatu media or in the Pacific."

PINA's statement followed an attack by the Union of Moderate Parties (UMP)—senior partner in the governing coalition—on the weekly newspaper Vanuascope, which it accused of "biased reporting." UMP Secretary General Petre Malsungai also threatened he would ask the Finance Minister to withdraw, suspend or not renew Vanuascope's business licence and planned court action against the paper.

The offending article, published in its latest issue last Wednesday, was a comment by opposition Vanuaaku Pati (VP) coordinator Peter Taurakoto on the switch by

opposition MP Thomas Varatia to the governing UMP. Varatia was appointed last Tuesday minister of agriculture in the government of Prime Minister Maxime Carlot.

Miller said in a statement Friday that a senior and respected member of PINA would be asked "to monitor the Vanuatu situation and recommend appropriate action if needed". She also warned that "the latest interference in the news media would raise further concern about the planned shifting of the headquarters of the regional news agency PACNEWS to Vanuatu".

In his statement, Regenvanu said "the Vanuatu government cannot let PINA go over the limits of responsible reporting and get away with it". The role of the media in the Pacific and in particular in small island countries like Vanuatu, must be "developmental, constructive and responsible," Regenvanu said. "To have the right to operate a business in a Pacific country is a privilege that media has, and news agencies, on their part, are duty-bound to make responsible and truthful reporting."

He described as "a disgrace" media reports on the political developments in Vanuatu in the last few weeks which he claimed were untrue, misleading or "only more confusing." He also questioned PINA's "hidden motives," accusing it of trying to create "instability and trouble." If this proved to be true, Regenvanu said, then the Vanuatu government should "reconsider its relationship with PINA."

It was the media's duty "to carry reports from all sides so that the members of the public can make their own conclusions," he said. "Media must demonstrate that they respect the public, because it is the public who receive the product, by making truthful and responsible reporting," he said.

"One of the important roles of PINA and Pacbroad (Pacific Islands Broadcasting Association) is to make sure that media throughout the region and the Pacific, including Vanuatu, play their role effectively and in a responsible and respectful way," Regenvanu added.



